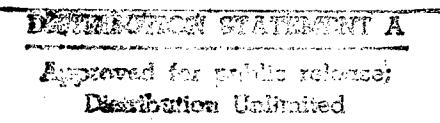


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# Southeast Asia Report



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12 June 1985

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AUSTRALIA

PAPER CRITICIZES ALP DRIFT ON SECURITY, FOREIGN POLICY

Sydney THE AUSTRALIAN in English 6-7 Apr 85 p 10

[Editorial: "Fears Over Our Foreign Relations"]

[Text]

SINCE the end of the war in Vietnam, Australian political debate has been dominated by domestic questions. But the Government's conduct of its foreign relations is arousing wide-spread fears in Australia and overseas that it lacks a coherent and principled approach to the needs of our national security.

One of the most commonly held beliefs about Australian politics is that foreign policy is little more than a distraction about which no more than a tiny minority concerns itself. This view is so far from the reality of our political history as to be a myth, and a myth which can imperil any government or party which does not recognise its proven fallaciousness.

Last Sunday 300,000 people marched throughout Australia in support of nuclear disarmament and of other goals which, notwithstanding the efforts of some Labor politicians to suggest the contrary, are opposed to the Hawke Government's expressed policies on foreign affairs and defence. Almost all of the marchers would normally support Labor in preference to the Coalition, and a large number of those taking part were members of the ALP and included the party's national president and other leading politicians.

While it is still true the Prime Minister and his closest colleagues reject the aims of their party's anti-American wing, there has lately been a series of incidents which can only

arouse doubts about the Government's sense of direction and firmness of purpose. The refusal to help the US with its MX missile tests and with research into the so-called "Star Wars" program, particularly when taken in conjunction with the Government's increasingly "even-handed" approach to disarmament negotiations, show a marked drift from the strong commitments to the American alliance given by Mr Hawke before and after he took office. Our pending withdrawal from the Sinai peace-keeping force will be a denial of the Government's declared resolve to take part in effective international action to preserve world peace.

Economic questions were to the forefront of the election which brought Labor to government, but, without a general public confidence that Mr Hawke was dedicated to the maintenance of our defensive alliances with the democracies, the ALP could still be in opposition. In recent months this confidence has been weakened by the Government's shifts and changes in its foreign and defence policy.

These uncertainties are reflected overseas. The collapse of the Australian dollar cannot be ascribed solely to economic factors. It is evidence of a growing international disillusionment with this Government's consistency and reliability, even though we have not yet reached the pariah-like status of

New Zealand. The proposed appointment of such a senior US State Department official as Mr Paul Wolfowitz as his country's ambassador to Indonesia could be a sign that Washington no longer regards this country as its firmest friend in our region.

As has been demonstrated by the French socialist Government and until recently by the West German Social Democrats, a left-of-centre government can follow foreign and defence policies which take full account of the dangers of Soviet aggression. So, too, could an Australian Labor government if given the proper leadership. But so far such leadership and the willingness to alienate some party colleagues in the national interest has been only too obviously lacking.

CSO: 5200/4324

AUSTRALIA

AUSTRALIAN DEFENSE CHIEF 'SALVAGES' ANZUS LINKS

Sydney THE AUSTRALIAN in English 8 Apr 85 pp 1, 2

[Article by defence correspondent Peter Young, who accompanied the Minister for Defence, Mr Beazley, to New Zealand: "Stronger Alliance Rises from ANZUS Ashes"]

[Text]

ANZUS might well be dead as a trilateral alliance, but thanks to the Minister for Defence, Mr Beazley, the defence and intelligence links between the three countries have been salvaged.

As a result, it could re-emerge as a far stronger alliance if and when the present disagreement between the United States and New Zealand is resolved.

For all its faults and limitations, ANZUS has always been the cornerstone of Australia's defence policy. As a result, the sudden stand taken by New Zealand over its refusal to accept visiting nuclear warships and the hard-line response by the United States presented a major political problem for Australia.

It was even more of a problem at the working level when it became obvious the United States was determined to deny intelligence and other military benefits of the alliance to New Zealand.

It would be fair to say the New Zealand Government had — and still has — no appreciation of its loss. It would also be fair to say the United States responded with an uncharacteristic over-reaction, leaving itself open to charges of bullying a small nation.

But it is very easy to understand the US position. For years it has borne the brunt of the defence of the West,

with little appreciation and fewer thanks.

When New Zealand took it stand, the Americans, buoyed up by a new Reagan-instilled sense of national pride and faced with the beginnings of a backslide from their treaty commitments by other more important allies, such as Belgium, obviously felt they had had enough — certainly, from what one senior US source described as "a pissant little country south of Nowheresville".

To Australia, New Zealand is more than that. It is a natural defence partner with common links in the security of the South Pacific and strong political, economic and cultural ties.

There is a shared military heritage that stretches from Vietnam all the way back to the beaches of Gallipoli.

Faced with such a situation, Mr Beazley's mission was simple — to try to forge new bilateral defence links with New Zealand without jeopardising Australia's special relationship with the United States.

The first line of attack lay in the resurrection of the old ANZAC agreement, a now-moribund treaty known as the Canberra Pact signed in 1944 as the precursor to the ANZUS alliance. This, it was felt, could form a convenient framework on which to hang the wide range of separate

defence links that would have to be refashioned.

It was expected the agreement would be exploited to the full at the annual meeting of the ANZAC Consultative Council, a usually low-key meeting of defence ministers and their military advisers which was the ostensible reason for Mr Beazley's visit.

The wording and terms of the treaty, however, were far too outdated. It called for closer links between the two countries but also included the now sovereign State of Indonesia in its area of influence and called for a conference of colonial powers long gone into oblivion. It obviously carried too many political penalties and was abandoned.

This forced the planners to look elsewhere, and careful bargaining is believed to have taken place at the staff talks before Mr Beazley's arrival in Wellington. As a result, New Zealand was able to come out with a new formula before the meeting between Mr Beazley and his New Zealand counterpart, Mr O'Flynn, that made a solution a lot easier.

This was spelled out in a paper issued two days before the final discussions which stated that New Zealand's fundamental security interests had not changed as a result of its disagreement with the United States over ANZUS and that New Zealand should move towards a greater defence self-reliance to meet a wide role within the South Pacific.

New Zealand's aims, it said, were to secure:

**A PROSPEROUS** South Pacific region, including strategic denial of the region to the Soviets.

**SOUND** and growing bilateral relations with Australia, Japan and the United States.

**IMPORTANT** interests with the ASEAN nations and the European Community.

**A DEMILITARISED** Antarctica.

**CONTINUATION** of the East-West balance of power in order to ensure the necessary peaceful environment for a worldwide political and trading base.

This gave the key to Mr Beazley, who said his mission was

to minimise the differences between the two countries and to retain New Zealand as a strong if separate ally in the South Pacific.

In the minister-to-minister discussions that followed, it became obvious that while both countries agreed to disagree over their obligations under ANZUS, an acceptable formula had been found in a new security mission in the South Pacific that would make any increased bilateral links between New Zealand and Australia acceptable to the United States.

This was confirmed in the wording of the joint communiqué by the two ministers after their final meeting which, while accepting a difference of opinion over ANZUS, agreed that there were "demonstrable and important shared defence interests and a clear need to collaborate on regional security issues".

Both nations reaffirmed the relevance and importance of the ANZUS treaty and the Western alliance and pledged themselves to moving towards greater levels of defence self-reliance.

This new level of bilateral co-operation presented no real difficulty since there has long been a close integration and co-operation between the two defence forces under various memoranda of understanding. The intelligence links, however, presented a more serious problem.

It is believed that a separate intelligence cell has already been set up to filter and sanitise US source material and to handle the closer exchange of regional Australian-New Zealand intelligence reporting.

This, it seems, is enough to satisfy the Americans, who have been reassured by Mr Beazley's undertaking that Australia will respect any caveats on US source material "to the letter".

More detailed arrangements for the denial of less sensitive areas of military and intelligence co-operation will be hammered out later on at staff talks which will go on all this week.

Mr Beazley underlined Australia's conciliatory attitude and determination to build new bridges by throwing open a range of new defence procurement projects under consideration in Australia for participation by New Zealand industry.

It is hoped this might lead to a closer integration of the two defence industries and greater levels of co-production and joint purchases aimed at a closer standardisation and commonality of equipment.

The past record of such joint ventures has not been good and most of the present defence projects in Australia are out of phase with New Zealand's timing or requirements.

Mr Beazley held out the prospect of a selective exchange of technology between the defence scientific establishments of the two countries, in particular in the area of fixed underwater arrays and other mine counter-measure research where New Zealand is believed to have a specialised expertise.

Plans were also announced to increase the number of exchange officers and for a closer integration between the two defence forces and a greater use of each other's training areas.

All of this was welcome news to the under-equipped and over-extended 13,000-strong New Zealand armed forces. Though highly professional, they lack any real mobility despite plans for a ready reaction force and an extended role within the South Pacific.

There are also strong doubts within the military whether the New Zealand Government will be able or willing to meet the cost of making good Mr O'Flynn's promises of defence self-sufficiency, which he said would be funded "even at the cost of other programmes".

There is little doubt it will be Australia that will have to bear the brunt of the cost of additional exercises and new separate intelligence links. Mr Beazley said this increased burden would receive priority despite an al-

ready over-taxed defence budget, but warned that these costs should not be underestimated.

Mr Beazley was quick to deny charges Australia would be subsidising New Zealand's stance over ANZUS.

Despite the fact that Mr Beazley says the United States has been informed of these Australian initiatives, sources in Washington are already expressing fears that by moving so quickly to reassure New Zealand by the setting up of new bilateral defence arrangements, Canberra could be seen as condoning New Zealand's ANZUS stand and shielding it from the consequences of its actions.

These are legitimate fears, especially since the New Zealand Government believes the fundamental guarantees afforded by ANZUS will remain, since any threat to the region would affect Australia and by inference New Zealand as well. This is beginning to be accepted in Washington as New Zealand having its cake and eating it, too.

It is to be hoped Washington accepts the background aims of Australia and the fact that Mr Beazley's riding instructions stemmed from a very carefully considered Cabinet policy of trying to maintain strong links with both the United States, within what remains of ANZUS, and separate bilateral links with New Zealand.

It may well be that all three countries will benefit from the new policies of self-reliance and independence that have emerged from the present difficulties — if the money is forthcoming to redeem those promises.

There is also the chance that in time, there could be a reversal to the trilateral arrangements that prevailed under ANZUS.

CSO: 5200/4323

AUSTRALIA

AUSTRALIAN DEFENSE MINISTER'S ANZUS EFFORTS WELCOMED

Melbourne THE AGE in English 9 Apr 85 p 11

[Editorial: "Taking Anzac Seriously"]

[Text]

**A**USTRALIA and New Zealand should make a virtue of necessity. With Anzus, if not consigned to a watery grave, at least becalmed and out of action at present, the Anzac alliance has taken on a new meaning. The Minister for Defence, Mr Beazley, has returned from New Zealand with a package which should, in the circumstances, keep everyone happy. It really was an exercise in sailing through a minefield: the United States still wants New Zealand to be seen by the world to have paid a price for applying its anti-nuclear principles to Anzus; the New Zealand Government, while showing no signs of relenting on its stand on the visit of nuclear-powered or armed ships, does not want to be driven into isolationism; and Australia, as the ally in the middle, has to avoid taking sides, and must maintain and strengthen bilateral links without doing anything which would hamper the resurrection of Anzus.

New Zealand's reading of the Anzus Treaty does seem idiosyncratic. Article II says: "In order more effectively to achieve the objective of this treaty, the parties separately and jointly, by means of continuous and effective self help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack." It is a narrow definition indeed of mutual aid and collective capacity when only conventional US ships may visit New Zealand — a stipulation which would mean the breaking of the proper American rule not to reveal whether ships are nuclear-armed. Perhaps it would have been better for the US to let the mouse roar away. But its fear of the spread of the nuclear allergy to Nato allies certainly led to some rhetorical overreacting.

The banning of intelligence sharing with New Zealand is a puzzling reprisal. To ensure that New

Zealand is less aware of global and regional shifts seems counterproductive. Ignorance, blissful or otherwise, might encourage blindness to the need for an Anzus agreement in which all partners carry a share of the burden. As it is, the ban will increase the burden on Australia. Mr Beazley has announced that Australia will undertake special intelligence analysis and evaluation on New Zealand's behalf. "Australia is prepared to absorb some extra costs in developing bilateral relations with New Zealand," he said. It is to be hoped that the acknowledgement in the joint communique that increased defence cooperation would require additional commitment of resources means that New Zealand will feel some pain too.

Neither nation has paid much more than lip service to self-reliance. If both, as promised in last week's talks, now work harder and closer on intelligence gathering and procurement of equipment and if both play a bigger and more constructive role in the region, the shake-up will be all to the good. For its part, the Australian Government has quite properly resisted Opposition pressure to be America's bully by proxy, and America, for its part, should realise that Australia's better bilateral arrangements with New Zealand do not represent partisanship. Anzac can never be a replacement for Anzus. And a more responsible Australia and New Zealand will mean a stronger Anzus, come its hoped-for revival.

CSO: 5200/4323

AUSTRALIA

SENATE NOTES NEW ZEALAND SUCCESS UNDER CER

Wellington THE EVENING POST in English 16 Apr 85 p 15

[Text]

CANBERRA, Today. — The closer economic relationship between Australia and New Zealand had increased New Zealand access to Australian markets, but provided very little change for Australian exports across the Tasman, a Senate committee inquiring into the agreement heard yesterday.

The Senate Standing Committee on Industry and Trade also heard that the Federal Government had very little analysis or monitoring of the CER, and relied upon industry to industry contact for much of its detail.

Departmental officials told the committee hearing in Canberra that although CER was operating much as had been expected when it was implemented in 1983, there was no analysis available of past or future trends relating to the agreement and trade between the two countries.

Trade Department officials said no analysis has been made of any effect CER has had on some export industries and commodities, nor on the effect on employment in those industries which might be affected by New Zealand imports into Australia.

## Inadequacy

Primary Industry bureaucrats told the hearing there were not enough formal and informal arrangements existing between departments, and not enough formal interface between affected government ministers.

The committee is conducting a re-examination of the CER between Australia and New Zealand, which is aimed at opening up trade markets between the two countries.

The head of the Trade Department's Office of New Zealand Relationships, Newton Lind, said yesterday the CER framework had been developed to provide increased prospects for both Australian and New Zealand industry, and to date there have been very few problems with the agreement.

But decisions on the access to the transtasman markets had been decided mainly by "gentlemen's agreements," and he said very little analysis on affected industries had been carried out.

## No analysis

"We have not made an analysis in terms of which industries have been better under CER. We just looked at the overall trade performance," Mr Lind said.

"Nobody is keeping any check on which industries are helped by CER."

But Mr Lind said the high employment industries may have suffered due to a lack of access to the New Zealand market for motor vehicles, steel products and whitegoods. However, he said there was potential for future sales of steel and petroleum which needed to be researched.

Mr Lind acknowledged the lack of detailed analysis and said this would have to be addressed, particularly as the CER expanded to include access for other industries.

## Great potential

Officials from the Department of Primary Industry told the committee that the CER provided Australia with great potential for sales of field crops and sugar products, wine sales, dried vine fruits and some exotic fruits, fishery and horticultural products, and marginal growth of beef and some mutton sales to New Zealand.

New Zealand was enjoying a steady growth in sales of cheese and dairy products with the potential for future sales of forestry products.

But the head of the DPI's development and co-ordination division, Peter Gore, said it was now up to the various agricultural industries in particular to identify potential sales areas and develop the New Zealand market.

Mr Gore said that most trade discussions between the two countries were held mainly at an industry to industry level, and it was up to the Australian industry groups, including the National Farmers' Federation, to hold discussions with their New Zealand counterparts to develop future markets and look at current markets on both sides of the Tasman.

"I am a little surprised at the growth of imports, and a little surprised that the horticultural and red meat packing industry doesn't get its act together to meet that trade," he told the committee.

"They have to pull their socks up and start facing this competition, because if they don't they will lose their market share to New Zealand, which is concerned about production and quality."

BRUNEI

HONG KONG, TAIWANESE CHINESE TO BE REPATRIATED

BK020524 Kuala Belait THE BORNEO BULLETIN in English 25 May 85 p 1

[Text] Brunei has taken steps to repatriate non-permanent resident Hong Kong and Taiwanese Chinese.

The Labour Department has issued notices to employers stating that work passes for expatriate Hong Kong staff will not be extended beyond the end of next year.

Work passes for Taiwanese labour will not be renewed after the end of 1987.

And non-permanent resident Hong Kong and Taiwanese employers have been told their employment licences will not be extended beyond the end of 1987 and 1988 respectively.

Sources said the government wanted to create more openings for Bumiputras.

Many Hong Kong Chinese have already returned home. It is understood there are only a few 100 Hong Kong Chinese nationals left in Brunei.

By the end of last year there were 385 Taiwanese nationals including dependents, living in Brunei.

Most were employed in agriculture and small business.

Taipei officials said the number of Taiwanese living in Brunei had more than halved over the past five years through voluntary repatriation.

They attributed this to a wind-down in major development projects in Brunei and an industrial boom in Taiwan.

CSO: 4200/1001

INDONESIA

SRV AGREES TO BUY \$350,000 WORTH OF TEXTILES

BK291128 Jakarta SINAR HARAPAN in Indonesian 17 May 85 pp 1, 12

[Excerpt] Jakarta, 17 May--An agreement on the purchase by Vietnam of 600,000 yards of Indonesian textiles worth \$350,000 was signed this morning at the Panca Niaga Co. Ltd building in Jakarta. The agreement involves conditions and details of the textile variety, price, transportation, and payment procedure. The agreement was signed by the director of Panca Niaga, Jukardi Odang, in his capacity as leader of Indonesian delegation, and Nguyen Tan Thieu in his capacity as director of Vegetexco, a state-owned trading company. The textile purchased by Vietnam is polyester cotton.

This is the first time that Indonesia has signed a sales agreement with Vietnam, a country ravaged by war since the end of World War II which only managed to start national development after the end of the Vietnam war 10 years ago.

A Vietnamese trade delegation led by Nguyen Tan Thieu arrived in Jakarta on 12 May and left for home this evening. Other members of the delegation were Vegetexco deputy director, Nguyen Van Hoa; a representative of the Vietnamese Foreign Trade Ministry in Singapore, Nguyen Van Hoang; and a Vegetexco staff member, Ly Thai Hong, acting as interpreter.

The Vietnamese trade mission visited Indonesia at the invitation of Panca Niaga as a follow up to a seminar organized by the Indonesian Center for Strategic and International Studies on relations between the two countries. The seminar was held in Jakarta some time ago, and several Vietnamese delegates attended.

Besides signing the agreement, leaders of the Indonesian and Vietnamese delegations also signed a memorandum of understanding.

CSO: 4213/242

INDONESIA

INTELLIGENCE OFFICIAL COMMENTS ON PRC TRADE

EK301121 Jakarta MERDEKA in Indonesian 24 May 85 pp 1, 12

[Text] Jakarta, Thursday (ANTARA)--The chief of the State Intelligence Coordinating Board [Bakin], Yoga Sugama, told the Parliamentary Commission I in Jakarta on Wednesday night [22 May] that the planned direct trade between Indonesia and the PRC is not the beginning of a process which will lead to the normalization of diplomatic relations between the two countries, but rather is an effort to obtain foreign exchange through nonoil and nongas exports and prevent trade relations with the PRC from being controlled by certain groups.

According to Yoga Sugama, the PRC itself is believed to be trying to turn this direct trade into the beginning of normalization of diplomatic relations.

The Bakin chief recalled that during their visits to Australia last month and to Bandung for the anniversary of the Afro-Asian Conference respectively the CPC general secretary and the PRC foreign minister said that the PRC does not maintain relations with the Indonesian Communist Party and upholds the 10 Bandung principles.

However, he said that in view of the characteristics and practices of the CPC, the traffic of ships, goods, and people between Indonesia and the PRC could provide an opportunity for communist activities. This being the case, PRC crewmen will only be allowed to move around in the ports.

Meanwhile, he said that the implementation of development which is not free of various weaknesses could provide a significant opportunity for communist propaganda even though communism no longer has a place in Indonesia. Yoga Sugama added that communism will remain a latent danger for Indonesia because of the communist conviction that they have an historical duty to launch their movement.

He said that Indonesia's problem now and in the future is to popularize Pancasila and to counter threats by certain elements in society to spread ideologies that are not in line with Pancasila.

CSO: 4213/242

INDONESIA

OBSERVER'S COMMENTS ON TRADE WITH PRC NOTED

BK291041 Jakarta Domestic Service in Indonesian 1500 GMT 28 May 85

[Text] An Indonesian political and economic observer, (Rahmat Murianusolo), has said that we should pay particular attention to the remark made by the Chairman of State Intelligence Coordinating Board [Bakin] Yoga Sugama that the arrival of Chinese ships, their crews and goods after the arrival of Chinese ships, their crews and goods after the opening of a direct trade link between Indonesia and the PRC may provide an opportunity for communist subversion in the country.

(Rahmat Murianusolo) underlines the explanation of the Bakin chairman that there is a difference in the interests of the two parties in connection with the direct trade link: Indonesia wants to take advantage of direct trade solely to increase Indonesia's foreign exchange earnings because without the third party trade system, Indonesia will no longer need to take PRC-made goods from Singapore or Hong Kong. Likewise, Indonesian goods will not have to go through the third party trade system any more. However, the PRC considers the direct trade link to be the first step toward resuming Jakarta-Beijing diplomatic relations.

According to (Murianusolo), this would also encourage the efforts of overseas Indonesia-born Chinese who are now living in the PRC or Hong Kong to come back to Indonesia as illegal immigrants.

CSO: 4213/242

INDONESIA

ARMED FORCES COMMANDER ON REORGANIZATION

BK291440 Jakarta TEMPO in Indonesian 4 May 85 pp 16, 17

[*"Excerpt"* of interview granted by Armed Forces Commander General Murdani to TEMPO correspondent Susanto Pujomartono on the armed forces reorganization; given in Jakarta--date not given]

[Text] TEMPO: What are the actual objectives of this reorganization?

Murdani: It is generally aimed at increasing the efficiency of the police and armed forces. Other considerations are our available financial resources through the next 10 to 15 years and the strategic situation. The latter means that we must pay attention to the situation around our country. Taking all these considerations into account, we conclude that a reorganization of the current structure of our armed forces is necessary. An organizational structure we consider good for today may not be good for tomorrow. We consider the year 2000 as our milestone because then is when we expect many changes to occur. I think it is an opportune time for us to carry out the reorganization now--15 years before the year 2000.

TEMPO: Are there any other considerations?

Murdani: Another aspect, a no less important one, is the fact that the number of those who fought in 1945 is now highly reduced--only a few dozen remain. In the past, these 1945 generation fighters were automatically considered to be able men, no matter what their ability was. I do not want to comment on whether or not their output [preceding word in English] was worthwhile. My current task, and that of my successors, is to find way to boost the output of the Indonesian Armed Forces [ABRI]. Based on this, we must be meticulous in selecting who will assume certain positions to ensure the best output.

TEMPO: How do you do it?

Murdani: In the past, one of the criteria for evaluating an officer was whether or not he belonged to the 1945 generation; in military slang, they were called "eternal fighters." This criterion will no longer be applicable for generations after mine.

For this reason we must look for a new criterion which, when formulated, will stipulate that to assume a certain post a military officer must possess

a certain ability, education, and experience. After combining all these requirements, I have decided to give it a special term: "professionalism and competence."

TEMPO: How do you explain it?

Murdani: We need professionalism, for instance, when we want to fill the post of a military district command commander. He must be able to command his troops and understand the territorial problems. If he shows good performance in these two areas, we consider him to have good professionalism and he gets certain credit for it. The same thing applies to how he handles his second duty, the sociopolitical one. If he can handle a crisis without opening fire, or settle a dispute without causing an upheaval, or behave in such a way that he considers his interests to be secondary to the more important ones, I will call his performance "competent."

TEMPO: How about the armed forces' education? How do you define it?

Murdani: The role of education will continue to be upgraded and improved, but education alone cannot guarantee that an officer gets high credits for his performance. In the past, if a person graduated from a certain school and could perform tasks not taught in that school, he was considered good. But things are different now. If he can do things even without attending that certain school, only then is he considered good. We believe in the proverb that "Experience is the best education."

To save money and work, education will be concentrated on training officers for a certain field of activities. Take for example the staff and command college. Not all armed forces personnel need to study at this college. A good example is our chaplains. Therefore, beginning now we will provide an education that is useful to the students. If people do not really need staff and command college knowledge, why do we provide such an education for them, since they will only flash their certificates later on? In this way, special pride is reserved for those who can really serve as a high-ranking officer, controlling a higher level military command.

TEMPO: How about the new structure of the armed forces after this reorganization? Why is the number of regional military commands reduced?

Murdani: With the current organizational structure, we can tell that an officer is really good when he has become a regional military commander. Here I am talking about the army, but I think a similar situation exists in the other services. The public may not realize that selecting 16 regional military commanders over 3 or 4 years is not an easy task. It is easy if we only look at the namelist.

For instance, we see in the namelist that this colonel is quite senior, so he can be promoted to brigadier general. We demand more than that: we want those who perform well at school, work their way up well, and have sufficient experience.

In the past, there were 16 regional military commands covering 27 provinces, now there are only 9 regional military commands plus 1 capital city military command. Therefore, there are now places that do not have regional military commanders because they will be under the jurisdiction of military area commanders, who currently number about 40. The most important objective for the reduction of the number of regional military commands is to expose these military area commanders as early as possible to various problems, not just military problems. We will then obtain high quality regional military commanders out of these 40 military areas commanders, and these will still have to be promoted 1 or 2 levels higher to assume that position. In the meantime, we will also have hundreds of colonels for the positions currently held by these 40 to 50 military area commanders.

TEMPO: Then why must defense territorial commands also be dissolved?

Murdani: Our defense territorial command system has divided the Indonesian territory into four defense territorial commands, with each one being expected to represent the armed forces commander in commanding the troops and in restoring peace and order, if these are demanded from it. To control a territory as large as is now being controlled by the 1st defense territorial command, the medan-based defense territorial command must be able to maintain peace and order in places like Natuna, West Kalimantan, or Mentawai. To do this task, we have to consider the first point--does our communications system enable us to do that or not? It is really good if we can do so, but our capability is not that high.

As for the material aspect, each defense territorial command is supposed to have a strike force and other things, which up to now we have not been able to have. Therefore, instead of daydreaming about realizing these things, this reorganization program will lead the armed forces personnel and the people to accept reality. In short, it still takes time to realize such capabilities.

TEMPO: Therefore, this reorganization program constitutes an effort to adjust oneself with one's concrete capability?

Murdani: Yes, what we are going to do is to create some tasks that we are able to perform so that the armed forces can carry out various tasks entrusted to them, including safeguarding the vast economic zone and maintaining security and order at a given subdistrict. This can be done more intensively if all officers from all echelons are given greater responsibility. The military command hierarchy can be simplified if necessitated by our austerity policy. Besides, this reorganization program will provide an opportunity for the officers to gain more experience by giving them responsibility as early as possible without waiting for them to become regional military commanders.

TEMPO: Of course this can happen only if the situation is favorable.

Murdani: As I said earlier, all this is based on an assumption that a conventional war like World War II, the Korean War, or the Iran-Iraq war will not take place on this territory in the near future. Another consideration is the armed forces' budget, which experience tells us increased 10 to 15 percent

annually. This is more or less the same as the inflation rate--that is to say, there is no significant increase, whereas we have to finance and activate a nationwide organizational system. If there is no improvement in this area, I am afraid our armed forces will increasingly decay.

TEMPO: It seems to us that the armed forces are reverting to their organizational structure of the 1950's.

Murdani: You could say that. In the 1950's it was called "the armed forces and territory" structure. After that, the name was changed to regional military command, which in time of need can be assisted by the three other services in performing special tasks. I want to stress here that regional military command has never been called regional army command.

Right now, the armed forces' main tasks are still the maintenance of peace and order, coping with subversive activities, and other such tasks. Hence, each service in the armed forces has its own responsibility, even though during this period the heaviest responsibility is shouldered by the army.

Later on, when we have greater capability and the emphasis on safeguarding Indonesia is changed into defending Indonesia from external threats, perhaps the responsibility can be shared by the air and naval forces.

TEMPO: Is this a reason for reorganizing the air and naval forces?

Murdani: Yes, that is right. This has been done by reducing the organizational commands--which are numerous--of the air and naval forces, while at the same time establishing strike forces in the form of fleets in the navy and in the form of operational commands in the air force. The tasks of former Air Force Regional Command and Naval Regional Command will be further specialized by creating, for instance, outpost commands, which in times of peace are manned by dozens of personnel who only look after the equipment. These commands can be reinforced quickly if the need arises.

TEMPO: If that is the case, then will regional military commands become army's main command?

Murdani: The main commands in the army are regional military commands, the Army Strategic Command, as well as the Special Forces Command. We have two fleets and the Marine Corps in the Navy, while the Air Force has two operational commands and the National Air Defense Command. As far as operations are concerned all these commands are under the jurisdiction of the armed forces commander.

TEMPO: If so, will the Indonesian Armed Forces be slimmer structurally?

Murdani: Yes. People are using all kinds of terminoloty. Please use them, provided that they do not give the impression that the ABRI will be made smaller.

TEMPO: With this streamlining [preceding word in English], especially in the organizational structure, do you think that the chances for an officer to be promoted to general will be worse?

Murdani: I can give two answers to this question. The first is in the affirmative in the sense that it is true that several posts will be abolished. My second answer is an appeal for an understanding that joining the ABRI is not simply like earning a living, but it means devoting oneself to the country. Therefore, as soon as one graduates from high school, if he is attracted to the military profession, he must have a different attitude about life. He will surely not become as rich as a merchant, his life-style will not be that elegant, and above all else, he will be required to sacrifice his life, if necessary. If we use the criterion being used by the non-ABRI, it is easy to come to the above conclusion that chances for promotion will be worse. Besides, the ABRI demands that to become one of its personnel, one should not solely aim at promotion, but seek work satisfaction as an ABRI personnel. In the past, there was a kind of pride among ABRI personnel that they can lead simpler lives than ordinary people. This is unique kind of pride. Of course, I never demand that people's values remain unchanged all through the ages, but we must not forget we wear military insignia and have discipline because this makes us happy. Hence, it is difficult to answer your question from the same perspective as yours.

TEMPO: What guarantees that this reorganization program will continue to be implemented in the future?

Murdani: What I can do is to lay the groundwork that can be accepted by the coming generations and that is required by the situation 20 years from now. We hope that this reorganization will continue to be implemented and is not stopped until it is completed. The officers formulating this reorganization program, except 10 to 12 of them, will still serve in the armed forces for another 8 to 12 years. It is hoped that this will guarantee the continuity of this program.

TEMPO: Do you think that this ABRI professionalism will not affect its dual function?

Murdani: Perhaps some of our leaders are worried that the armed forces will be turned--by me or my generation--into a professional military force such as that of Japan or the United States by ignoring the other functional task of ABRI, namely the sociopolitical one. However, if they understand this setup [preceding word in English], perhaps they will feel more relaxed. In fact, we are training our personnel to enable them to perform this second task better. With the available personnel, we must search for a new pattern to enable them to perform their duties the best they can.

CSO: 4213/242

LAOS

KAYSONE PHOMVIHAN TOURS OUDOMSAI PROVINCE

BK291144 Vientiane KPL in English 0905 GMT 29 May 85

[Text] Vientiane, 29 May (OANA-KPL)--Party General Secretary Kaysone Phomvihan recently toured the northern province of Oudomsai.

During his visit, K. Phomvihan received Compheng Keobounhouan, member of the party CC, secretary of the provincial Party Committee, who reported on the implementation of the resolution of the 7th Plenum (3rd Party Congress) and the results of the emulation campaign in the province in honour of the two national anniversaries. The general secretary also met with other officials of the party and administrative committees and cadres and people of Oudomsai.

He congratulated them on their remarkable achievements in national defence and socialist building. He advised closer unity among the local people, and pointed to the short and long-term guidelines regarding their security task and economic development, with emphasis on the training of qualified personnel.

General Secretary Kaysone Phomvihan toured a number of outstanding cooperatives where was warmly welcomed by the farmers. [sentence as received]

CSO: 4200/999

LAOS

CSSR AID MATERIALS HANDED OVER IN VIENTIANE

BK301351 Vientiane KPL in English 0921 GMT 30 May 85

[Text] Vientiane, 30 May (OANA-KPL)--The Government of the Czechoslovak Socialist Republic handed over a consignment of aid to the Lao Government here yesterday.

This aid for 1984-85 included fabrics, garments and educational equipment valued at ten million koruna (Czechoslovak currency).

Present at the hand-over ceremony on the Lao side was Sali Vongkhamsao, vice-chairman of the Council of Ministers, chairman of the State Planning Committee and president of the Lao-Czechoslovak Governmental Commission for Economic, Scientific, and Technical Cooperation. On the Czechoslovak side was Rudolf Rohlicek, vice-chairman of the Council of Ministers, president of the Czechoslovak-Lao Governmental Commission for Economic, Scientific and Technical Cooperation. Czechoslovak Ambassador Ladislav Kocsis and his staff members were also present.

On this occasion, S. Vongkhamsao expressed deep thanks to the government and people of Czechoslovakia for their assistance to the Lao revolution in the past as well as at present. He wished the fraternal friendship, combative solidarity and close cooperation between Laos and Czechoslovakia further development.

CSO: 4200/999

LAOS

FURTHER REPORT ON FINANCE, TRADE MINISTRY CORRUPTION

Bangkok THAI RAT in Thai 3 Jan 85 pp 1, 16

[Article]

[Excerpt] On 2 January, a reporter in Nong Khai province reported that senior officials in Nong Khai Province have revealed that on 24 December 1984 in Vientiane City, the capital of the Lao People's Democratic Republic, two ministers in the cabinet of Mr Kaysone Phomvihan were arrested. The two ministers were Mr Udon Phonsanao, the minister of finance, and Mr Chanpheng Bounaphon, the minister of domestic trade (Ministry of Commerce). They were charged with being involved in the illegal purchase of 20 tractors from Thailand. A news report stated that both men have been imprisoned at the Sam Khe Prison, which is approximately 8 km from Vientiane City, since 25 December 1984.

A news source discussed what was behind the arrest of these two Lao ministers. He said that because the Lao government needed tractors for its agricultural and forestry projects, it assigned these two ministers, the governor of the Lao National Bank, that is, Mr Khamkhoun Waeoprasoet, who, together with his family, fled to Thailand at the end of last year, and several other committee members the task of purchasing 20 tractors. These people contacted a company in Bangkok, and a price of 2.5-2.6 million baht per tractor was agreed on. The total amount was approximately \$1 million (approximately 23 million baht at that time). The 20 tractors were sent to Laos in November 1983.

But after these tractors were put to use, there was a scandal because these were old tractors that the company in Bangkok had wanted to get rid of. The company had just repainted and repaired the old tractors. And so they broke down before they should have. The Lao government investigated this matter. After a 1-year investigation conducted by the party's top committee, it concluded that people had committed acts of corruption and so these two ministers were arrested. Mr Khamkhoun Waeoprasoet learned of the results of the investigation and fled to Thailand before he could be arrested.

A reporter questioned Mr Sakda Ophang, the governor of Nong Khai Province, about this matter. Mr Sakda said that this had actually occurred. Thai officials learned about this because Thai citizens were involved, too. This is an interesting news item from abroad and so people have been following this story.

LAOS

SRV TROOP LOCATIONS, INFRASTRUCTURE DESCRIBED

Bangkok LAK THAI in Thai 2 May 85 pp 20-22

[Article: "Keep an Eye On the LPDR and Be Ready For a Conventional War From Laos"]

[Text] In the last issue, LAK THAI published a report about events in Cambodia, where Vietnam is in control of the situation. The next 2 years will probably determine whether Vietnam will remain in control there or whether the Khmer coalition will force Vietnam to withdraw its forces after suffering a military defeat and being beaten on the world political stage.

In this issue, we will publish a report on another country in Indochina that has fallen under the influence of Vietnam. But unlike Cambodia, it has not been occupied militarily and there is no savage fighting going on there as in Cambodia. We are speaking about the Lao People's Democratic Republic, or Laos for short. It becomes tiresome to use the full name and so the abbreviation "LPDR" is used.

In the last issue, it was stated that looking at Vietnam's actions from a strategic standpoint, one reason why Vietnam is trying to expand its territory is that Vietnam is a very narrow country, that is, the central part of the country is very narrow. If a large force is positioned there, it effectively cuts the country in two. Thus, Vietnam wants to expand at the expense of Laos and Cambodia. Also, Vietnam wants to "encircle" the "white Vietnamese" rebels, particularly the hill tribes in remote areas in central Vietnam, who are carrying on guerrilla operations in the jungle. It wants to trap them between Vietnam and its satellites.

A senior military officer who analyzed this for LAK THAI said that the Soviet Union wants to use Vietnam as a naval base in the Far East. It has taken control of Camranh Bay and turned it into a large naval base for both surface ships and submarines. It is also turning this into a strategic air base for TU and IL aircraft. The Thai military views this as a minor matter and as a by-product for Vietnam. It is not the Soviet Union's main target. Because Vietnam is not in a suitable location for building a strategic naval or air base. It

can be encircled by other countries. It would be easy to attack this naval and air base since it is in an exposed position on the coast. Military strategists feel that the Soviet Union wants [a base in] the Indian Ocean rather than in the Pacific Ocean or South China Sea. Also, the Soviet Union does not need naval and air bases in this region since in terms of influence, the United States is at least 30 years ahead of the Soviet Union.

People have asked how far Vietnam will go in being the bully of Asia, or the Cuba of the East. A senior military officer who has analyzed this matter told LAK THAI that the ASEAN countries know that Vietnam will not stop in Cambodia but in Thailand. However, they do not plan to seize all of Thailand. Vietnam wants to expand its borders in order to put greater pressure on Cambodia.

"We have evidence that Vietnam wants to seize our 14 northeastern provinces. In their geography lessons at school, Vietnamese children are taught that Laos includes our 14 northeastern provinces. The maps prepared by Vietnam show this. The same is true in Laos. Even though they do not teach this in their schools as does Vietnam, Lao military maps show our northeastern provinces as being part of Laos. Vietnam wants to create an Indochina Federation composed of Vietnam, Cambodia and Laos, with our northeastern provinces a part of Laos," said this officer.

That is the enemy's strategy. Its first goal is to cause divisions among the people and expand this into a mass strategy and a military strategy. This will then become a world political strategy. "Anyone can draw a map. But that does not mean that it will be accepted by the world community or by both sides. We have maps showing that Vietnam, Cambodia and Laos were once part of Thailand. But we respect international agreements and principles. We do not build fences in someone else's yard."

Laos is an important element in the creation of an Indochina Federation. Thus, we would like to report on recent activities based on intelligence that we have obtained.

The road from Vinh to the Ho Chin Minh Trail, particularly the Mu Gia section, which forms the border between Laos and northern and southern Vietnam, is now in use. Why were they in such a rush to build a road to Tha Khek opposite the Thai province of Nakhon Phanom? Also, Vietnam built the road up to Tha Khek, stopping about 4 km from the Mekong River. It did not build the road all the way to the river. This road connects to Highway 7 in Laos, which links Savannakhet, Champasak and Sithandon. Roads usable in certain seasons run to southern Laos and can connect with roads in Cambodia, particularly the road from Oudon Michai to Cheom Ksan.

In the north, there is a road from Vientiane to Sayaboury Province. A bridge across the Mekong River links the two banks. Sayaboury is an important base for Lao and Vietnamese military forces even though, strategically, Sayaboury is not a point for controlling northern Laos since there is a salient that is enclosed by Thailand. And so why are two [Lao] divisions and one Vietnamese division stationed there? Also, two of the regiments are armored regiments. Based on the position of these forces, the logistic route and other activities, it is thought that they have stationed those forces there in order to apply greater pressure in the area of the three disputed villages, that is, Ban Mai, Ban Klang and Ban Sawang, in Uttaradit Province [in Thailand].

Farther north, there are two regiments of Lao and Vietnamese troops stationed in Muong Ngeun and Siang Hon opposite Ban Huai Kon, Huai Sataeng, Ban Ngop and Ban Pon in Thung Chang District, Nan Province. There is one armored battalion and two artillery battalions in this area. Communist terrorists were very active in this area for many years. The Thai communist terrorists had a field hospital in Muong Ngeun. This is no longer in use.

Few military operations are carried on in Vientiane since military forces have been stationed at all the strategic points. The Wat Tai Airport has been expanded so that modern fighter aircraft can land there. Laos has 21 Mig-21 aircraft. It is expected that Laos will obtain another six of these aircraft this year when pilots who are training in Hanoi return home.

Thai military experts wonder why Laos has deployed 32 SAM-7 anti-aircraft missiles. Vietnam is using SAM-7 missiles in Cambodia. There is nothing strange about that since Cambodia is at war. But there are only 26 SAM-7 missiles in Cambodia, which is at war. And the SAMs that are used are not used to shoot down Khmer coalition aircraft since the Khmer coalition does not have any aircraft. Vietnam uses these to fire at Thai aircraft. Most recently, Vietnamese forces shot down a Thai reconnaissance aircraft at the Phra Phalai Pass. Thus, it seems as if these activities in Laos are aimed at making preparations. And it isn't necessary to say what these preparations are for.

Another thing that military officials are watching and for which they are preparing a defensive strategy is that Vietnam may move forces from Laos--they could be either Vietnamese or Lao forces--to some position in Cambodia. It is thought that they will probably send these forces to Choem Ksan rather than some other point. From there, these forces might be used to violate Thai sovereignty by crossing into Ubon Ratchathani Province, probably in Nam Yun District.

As for the road from Mu Gia, which links Laos with northern and southern Vietnam and which ends at Tha Khek just across the river from Nakhon Phanom Province in Thailand, [Thai] military officials are watching to see whether the activities going on there pose a danger to the

security of the border. But based on the latest intelligence reports, Laos has strengthened only its village guards, or local forces, which are the equivalent of Thailand Regional Security Volunteers, so that they can make patrols, gather intelligence and, in a fight, maintain the situation for about 3 days. The local forces stationed along the Mekong River opposite Thailand are carrying on similar activities. These activities do not pose any direct danger.

As for the "Green Star" group that has a large base in Laos, one military officer said that it is better to look at Lao and Vietnamese military activities in Laos. The Green Star group is still unimportant. As for recent communist terrorists activities in Thailand, "we should devote most of our attention to confronting a conventional war."

11943

CSO: 4207/206

LAOS

BRIEFS

KAYSONE PHOMVIHAN RECEIVES CSSR ENVOY--Vientiane, 30 May (KPL)--Kaysone Phomvihan, general secretary of the LPRP CC and chairman of the Council of Ministers, received here on 28 May Czechoslovak Ambassador Ladislav Kocsis, who is ending his diplomatic mission in Laos. General Secretary Kaysone Phomvihan highly evaluated the ambassador's contribution to the strengthening of the friendship and combative solidarity between the parties, governments and peoples of Laos and Czechoslovakia. The reception was warm and cordial.  
[Text] [Vientiane KPL in English 0913 GMT 30 May 85 BK2]

SOUPHANOUVONG RECEIVES NEW FRENCH AMBASSADOR--Vientiane, 29 May (OANA-KPL)--Souphanouvong, president of the Lao PDR and of the People's Supreme Assembly, received here yesterday a letter of credentials from the newly accredited French ambassador to Laos, Marc Meguy. On this occasion, President Souphanouvong wished the ambassador success in his diplomatic mission here for the benefits of the Lao-French relations. Also in attendance were Soulivong Phassithidet, deputy-minister for foreign affairs. [Text]  
[Vientiane KPL in English 0908 GMT 29 May 85 BK]

NEW AMBASSADOR TO MPR RECEIVED--Vientiane, 29 May (OANA-KPL)--President Souphanouvong received here on 27 May Khamkeng Saignakeo and handed over to him a letter accrediting him as Laos' new ambassador to the Mongolian People's Republic. President Souphanouvong advised him to do his best for the fraternal friendship and cooperation between the parties, governments, and peoples of the two countries. [Text] [Vientiane KPL in English 0910 GMT 29 May 85 BK]

AMBASSADOR TO BULGARIA PRESENTS CREDENTIALS--Vientiane, 31 May (OANA-KPL)--Thongsavat Khaikhampithoun, new ambassador of the Lao PDR to the People's Republic of Bulgaria, recently presented his letter of credentials to Todor Zhivkov, chairman of the State Council of Bulgaria. During the warm and cordial meeting, the host and guest discussed ways to promote the fraternal friendship, militant solidarity and close cooperation between the two countries.  
[Text] [Vientiane KPL in English 0900 GMT 31 May 85 BK]

EDUCATION DELEGATION TO SRV--Vientiane, 25 May (KPL)--Phiang Sisoulat, deputy minister of education, on 23 May, led his delegation to the Socialist Republic of Vietnam for a friendly visit. While there, the delegation will sign documents on educational cooperation for 1985 between the Ministries of Education of their two countries. [Text] [Vientiane KPL in English 0903 GMT 25 May 85 BK]

SRV SCHOOL DELEGATION LEAVES--Vientiane, 25 May (OANA-KPL)--A delegation of the Nguyen Ai Quoc School No 10 attached to the Propaganda and Training Board of the CPV CC led by its director general Ho Khi Tuong left here this morning concluding a ten-day visit. During its stay, the delegation met with officials of the Propaganda and Training Board of the LPRP CC, and other senior Lao officials. It also toured the southern Champassak Province. The delegation was farewelled at Wattai Airport by Thongsavat Yamani, vice-chairman of the State Committee for News Agency, Newspaper, Radio and Television, and others. [Text] [Vientiane KPL in English 0904 GMT 25 May 85 BK]

DELEGATION RETURNS FROM USSR--Vientiane, 23 May (KPL)--A delegation of the Lao Higher Party School led by its director Chanmi Douangbouthdi, member of the LPRP CC, returned here on 21 May after attending an international scientific conference organized in Moscow on 14-15 May by the Academy of Social Sciences, the Marxist-Leninist Institute, the Central Committee of the CPSU, and the Ministries of Defence and Foreign Affairs, on the occasion of the 30th anniversary of the Warsaw Treaty. The conference discussed and agreed on the extension of the Warsaw Treaty for another 20 years. The conference was attended by delegations from the seven Warsaw member countries, the USSR, Czechoslovakia, Poland, Bulgaria, Hungary, Romania, and the GDR, and other socialist countries: Vietnam, Laos, Mongolia, Korea and Cuba. After the conference, the Lao delegation visited Litva, Vinnues [spelling as received], Konus and some agricultural areas. [Text] [Vientiane KPL in English 0914 GMT 23 May 85 BK]

ITALIAN COURT RULING STRONGLY CRITICIZED--Vientiane, 30 May (OANA-KPL)--The Lao Committee for World Peace and Solidarity and Friendship with Other Peoples recently sent a message to the president of the Italian Supreme Court deplored its arbitrary ruling concerning the case of a Bulgarian citizen known as the "Antonov affair." The message says: "The Lao committee vigorously condemns this violation of human rights and justice. The so-called "Antonov affair" is nothing other than a machination created by some reactionary circles in order to discredit Bulgaria and the socialist countries as a whole. We hope that as the guardian of law and justice, you will use all your power to put an end to this situation which might tarnish Italy's prestige. The Lao committee has also sent a message to the Bulgarian Peace Committee expressing its solidarity with and support for Bulgaria in this matter. [Text] [Vientiane KPL in English 0915 GMT 30 May 85 BK]

CSO: 4200/999

MALAYSIA

MINISTER HOLDS TALKS WITH MAURITIAN COUNTERPART

BK030717 Kuala Lumpur International Service in English 0600 GMT 3 Jun 85

[Text] Malaysia has offered Mauritius to take advantage of its technical cooperation program to developing countries. Malaysia is also prepared to explore and identify cooperation between the two countries. The minister of foreign affairs, Tengku Ahmad Rithauddeen, said this to newsmen at the Ministry of Foreign Affairs after meeting his Mauritius counterpart, Mr Anil Gayan, who is also the minister of tourism and immigration. He arrived yesterday for a 3-day visit to the country.

Tengku Rithauddeen said Malaysia had been experiencing a trade surplus with the country. Last year, Malaysian commodities including rubber, palm oil, sawn timber, and tin valued at M\$ 9 million were exported to Mauritius while its import of Mauritius textiles and wool amounted to only about M\$ 10,000. Malaysia is considering importing sugar. This will help rectify the balance of trade between the two countries. Malaysia requires 550,000 tons of sugar yearly, now being imported from several countries, including Australia and Fiji.

CSO: 4200/1002

NEW ZEALAND

**FINANCE MINISTER COMMENTS ON OECD SESSION RESULTS**

Wellington THE EVENING POST in English 15 Apr 85 p 5

[Text]

PARIS, Today. — Moves towards a new round of multilateral trade talks are the most significant part of the OECD (Organisation for Economic Co-operation and Development) meeting, according to the Minister of Finance, Mr Douglas.

However, ministers from the non-communist world's 24 leading industrial countries failed to get agreement on a date for negotiations.

The two-day OECD ministerial meeting ended with a communique which said a new round of Gatt (General Agreement on Tariffs and Trade) negotiations would "contribute significantly" to liberalising trade.

Ministers decided senior officials should prepare the way in the Geneva-based Gatt this year, but they could not agree to staging the talks next year.

### Communiqué

The communique merely stated there was agreement that such a round of talks begin as soon as possible. It added: "Some felt this should be in early 1986."

France's insistence that monetary talks should accompany a trade round was popularly declared the reason for the lack of agreement, which sets back hopes of liberalisation.

However, Mr Douglas told NZPA it was significant from New Zealand's point of view that the two-day meeting laid increased emphasis on the question of agriculture.

"It was acknowledged that there is some strain in that area and that it should in fact have a high priority in any trade round that should take place."

New Zealand's problems would be solved if countries were prepared to take necessary domestic steps, he said.

"Structural changes would reduce surpluses, and then the problems of access for New Zealand products would fade."

Mr Douglas told the ministers during the first day of the meeting that New Zealand supported and was ready to participate in a new round of trade negotiations.

"We have a special interest in agricultural trade, and we believe that this sector should receive priority treatment in a new round. Trade in agricultural products is certainly beset by restrictive trade measures," he said.

OECD secretary-general Jean-Claude Paye said agriculture policies had to be reframed at the same time as solutions were pursued on immediate economic problems.

### Reinforcement

Mr Douglas said his first OECD conference as finance minister reinforced his views about reshaping the New Zealand economy.

"There were some quite good papers. In particular, the one on protectionism (prepared by the secretariat) demonstrated that protectionism does not create jobs. If anything, in the medium term, it is counter-productive."

"I hope that countries will tend to reduce their barriers. That would be good from our point of view."

Mr Douglas stressed his Government's commitment to medium-term policies. He also emphasised in a keynote address that New Zealand had a comprehensive and complementary range of policies.

United States commerce secretary Mr Malcolm Baldrige said a major theme of the meeting was the encouragement of structural adjustment.

### US call

American Treasury secretary Mr James Baker called for an immediate re-

port by the secretariat on links between structural adjustment and economic performance.

The communique said a study would be undertaken and agreed that "coherent actions across the whole range of social and economic policies" would increase employment.

It also said support would be ensured if structural change "does not bear unduly on weak and low-income groups."

Mr Douglas said the American call for a report was "quite important from New Zealand's point of view".

"New Zealand has been going through the structural adjustment that was talked about here.

"The simple fact is that New Zealand for 10 years refused to go through that process which was necessary after the oil shocks.

"As a result of that, our performance is one of the worst in the OECD.

"Those countries who made the adjustment have performed well. The wage and salary earners have had an increased standard of living."

"Those countries who refused to adjust — New Zealand was one of them — have done poorly."

Mr Douglas added: "I would hope the way we are going through an adjustment would mean that our economic performance one or two years down the track will probably be as strong if not stronger than any other country."

The Americans took observers by surprise when they announced the United States was prepared to consider hosting a

meeting of major industrial countries on international monetary reform.

It was perceived in Paris as a move to bring France to the Gatt table. The French demand that monetary talks accompany trade negotiations, because they want to find "some means of having an international monetary system that bites on the United States," the "Times" newspaper reported a British official as saying.

## Offer only

Mr Douglas played down the importance of the American move. He said it was only an offer to bring forward existing reform studies by the "Group of 10" — Britain, Belgium, Canada, France, Italy, Japan, The Netherlands, Sweden, the United States and West Germany.

The French said the Americans, side-steppers of monetary reform in the past, were making a step in the right direction for a new Bretton Woods (the 1944 Bretton Woods conference set details for the post-war international monetary system), as outlined by France's President Francois Mitterrand two years ago.

The New Zealand minister said he would prefer not to comment on France's new Bretton Woods, which is widely viewed as having little chance of success.

Mr Douglas said: "It was something which the former Prime Minister (Sir Robert Muldoon) ran with to some extent in the International scene. I guess it enabled him to ignore the problems he had." — NZPA.

CSO: 4200/966

NEW ZEALAND

## NATIONAL PARTY DEFINES ECONOMIC POLICY VIEWS

Wellington THE EVENING POST in English 15 Apr 85 p 6

[Article by Bill Birch, National Party Finance spokesman: "NZ Economy Is Being Taken for a Ride by Labour--Birch"]

### [Text]

In response to a "Post" editorial which was critical of what was perceived as a lack of economic policy being put forward by the National Opposition, its spokesman on Finance, Mr Bill Birch, has defined his party's views in this article.

**T**HREE ARE some commentators who say that the Labour Party has occupied ground traditionally covered by the National Party. Roger Douglas, according to the theory, has left the National Party nowhere to go. Those commentators are mistaken.

The National Party has been steadily moving towards a more market economy since 1975. The delicensing of road and air transport, putting the Railways Corporation on a commercial basis, delicensing the meat industry, voluntary unionism, strengthening the finance sector with the introduction of Foreign Exchange Dealers and other financial intermediaries, were all steps towards a more competitive market economy.

The diversification of our land use and the growth of export-led manufacturing, were highly successful. Development of our resources to make New Zealand self-sufficient in energy and trade expansion under CER, strengthened growth in the New Zealand economy.

### Criticism

We received criticism for the introduction of the wage-price freeze and the interest rate controls at election time. These controls were short-term measures, designed to break the inflation cycle and were successful in achieving that. They were an aberration and not part of our medium or long-term economic approach. That was made very clear in the National

Development strategy which I published in 1983.

We were also criticised for the growth in the public debt. Most people will be astonished to learn that since the July election, the official overseas debt has risen from \$9 billion to \$14 billion, a rise of 47 percent.

The more perceptive political observers will notice that each time the Labour Government gets into a corner, it creates a diversion by criticising the major "Think Big" projects. The fact is that there is not one of the major projects that has come on-stream that has not operated to full capacity and has not been able to fully service its overseas borrowing.

Each one of the projects will contribute substantially to the national wealth of New Zealanders for generations to come. The investment in these projects was a major factor in maintaining economic growth during 1983 and 1984. That growth has continued strongly up to the present time.

However, the 1985-86 year will be quite different. Take devaluation first. The exporters, including the primary sector, have received benefits of improved export prices arising from devaluation, but inflationary price rises are still flowing through. The New Zealand Institute of Economic Research announced on March 25 that real disposable incomes (standard of living) would decline by 3.5 percent in 1986 and forecast 18 percent inflation to March 1987. The Reserve Bank's forecast of 15 percent for June of this year,

is already being felt by the household sector and by the manufacturers in their input prices. The jump in January food prices of 2.4 percent, followed by 1.3 percent in February, and a further 2.5 percent in March, has been felt by every housewife in the supermarkets. I doubt whether the inflation will decline this year. The September wage round and the Goods and Services Tax will both contribute to on-going inflation.

### Deregulation

Deregulation of the financial sector has been enjoyed by the industry at

large, particularly the overnight interest rates, which peaked at 1000 percent before settling down after the Reserve Bank injected \$900 million into the domestic money supply. The removal of the compulsory ratios and the use of Government Stock Tenders to finance the deficit means that the taxpayer will pay a high price for the continuing Government deficit. How can the farmer and first homeowners cope with market interest rates of close to 20 percent?

Farmers are now having to live with an uncertainty of an exchange rate, which fluctuates on a daily basis. Exporters will need to pay more attention to the exchange rate than to their margins if they are to remain viable. The daily adjustments, however, will avoid the longer term structural adjustments and theoretically the need to provide support measures to maintain the confidence and viability of our exporters.

Gone, however, is the growing economy. With high inflation rates and zero growth, and an expanded balance of payments deficit since devaluation, the New Zealand dollar will be under pressure throughout 1985.

All this at a time when the Anzus row is threatening our traditional access to hard-won markets in the United States and Europe. The international agricultural trade markets are not free markets. We need that hard-won international goodwill to maintain access for our beef, dairy products and sheepmeats into these countries. This goodwill has been diminished by the Anzus row. The result may well be realignment of our trade and defence, and maybe even our political affiliations. The left wing of the Labour Party may have a lot to answer for in this arena.

To top it all, we have seen orchestrated rises in prices for the Government monopolies. On April 1, electricity and coal rose 25 percent and 35 percent respectively. Further price rises are forecast for next year.

## Control

Responsibility for the control of monetary policies is in the hands of the Reserve Bank. The Deputy Governor, Dr Rod Dean, was reported as saying recently that, "we're not dissatisfied

with current interest rate levels." With the Bank receiving around 18.5 percent for government stock, the high price of money throughout 1985-86 will make the expansion of the productive sector very expensive. There will be few who can afford to borrow at such high interest rates.

On the government expenditure side, there is evidence of the traditional Labour Party increase in government spending. Three new government ministries are being established.

Pressure to expand health, defence, education, housing and the Social Welfare system, coupled with the removal of the sinking lid policy of staff ceilings, will see a significant increase in government spending. This will be compensated, in part, by a reduction in support of export policies for farming, manufacturing and resource development, which were announced in the November budget. The net result of these policy changes will be an increase in government spending on the consumption side, and a reduction in support measures for capital savings and productive investment.

This will be financed, in part, from taxes such as the Fringe Benefit Tax and the Goods and Services Tax. Fringe Benefit Tax, however, turned out to be such a mess that companies will seek to avoid its effects by switching to utilities or vans. The real target of the Labour Government, which was the company car as part of the pay packet, was caught but so also were many vehicles which should not be taxed.

The Goods and Services Tax is going to be even more of a headache. It will turn out to be a big tax grab. A large part of the tax will be paid on food and clothing. Many families, particularly those on low incomes, spend most of their wage on food, clothing and rent. There is little in their pay packet which is not 100 percent committed. Take a low income family with an income of \$10,000 per year; it is entirely committed on expenditure to maintain the family. That family can expect to pay about \$1000 per year in Goods and Services Tax, \$1000 they cannot afford.

The changes in income tax and social welfare systems will have to reward the family for the loss of \$1000 in Goods and Services Tax. It has the potential of converting the taxpayer into a social welfare beneficiary. There

will also be enormous costs to be borne by the private sector at every point of sale, and a further increase of 1000 tax inspectors.

## Increases

The 10-15 percent in tax will increase the price of all goods, except those luxury items and capital goods having their tax reduced. We then have a lower tax on luxury items and for the first time, tax on food and clothing.

Where the Labour Government promised stability, it has delivered the most unstable economic conditions the country has ever known. Where it promised better living standards, it is delivering a cut in living standards. Where it promised to reward those who worked hard, particularly in the export sector, it is penalising the producers.

I am being asked what the next National Government would do to get this country back on its feet. The reality is the present Labour Government has just over two years yet to run. Our economic policies will be published in the lead-up to the next election. Our emphasis will be on a strong growing economy with stable monetary conditions. Inflation will remain the enemy and economic growth the goal. Growth produces jobs and improvements in the standard of living. The objectives of the party will remain, protecting the liberties of the individual and rewarding those who strive to improve themselves. There will be no going back. The general thrust of the next National Government's economic policies will be built around the following priorities:

- Encourage development of those primary and secondary industries in which New Zealand has a comparative advantage in international trade.
- Promote greater competition in efficiency and production in the home market.
- Improve the flexibility of the labour market.
- Increase the efficiency and flexibility of the capital markets.
- Reduce those government functions which the private sector can profitably undertake, without compromising social objectives.

These are the policies of a responsible, private enterprise party which gives priorities to a stable growing economy for the benefit of its people.

CSO: 4200/966

NEW ZEALAND

**OPPOSITION SAYS GOVERNMENT RISKING 20 PERCENT INFLATION**

Auckland THE NEW ZEALAND HERALD in English 15 Apr 85 p 1

[Text] The National Party says the Government is risking pushing inflation above 20 per cent next year for the first time in New Zealand history.

The party's finance spokesman, the Hon Bill Birch, said the Government could completely destabilise the economy unless it stopped trying to achieve too much too quickly.

It would put New Zealand into the category of a "banana republic."

It was announced at the weekend that the consumers price index rose by 4.4 per cent in the first three months of this year, bringing total inflation for the 1984-85 financial year to 13.4 per cent.

**Higher Wages**

Mr Birch said the present three-month period would show a further increase of at least 4.4 per cent, raising the inflation rate for the June year to 16 per cent.

Unions were certain to demand at least that much in higher wages in September, moving inflation up another notch.

Then it would be boosted again by the new goods and services tax next April.

A 10 per cent GST would raise prices by 6.5 per cent, according to the Institute of Economic Research. A 15 per cent GST would raise prices by 11.5 per cent.

"Add that to the current inflation and you are going to be well over 20 per cent," Mr Birch said.

At the same time, the Treasury and other forecasters were predicting zero economic growth in both the next two years, because of the Government's tight economic policy aimed at cutting the budget and overseas deficits, he said.

Farmers and manufacturers are both being squeezed by skyrocketing interest rates, removal of export incentives and rising input prices. They would also be paying higher taxes.

Mr Birch said he was sceptical that the Government would actually be able to fully compensate people for the GST by income tax cuts, given its increased spending on defence, housing, courthouses and new ministries of women's affairs, consumer affairs and the environment.

Spending was being shifted away from productive industry such as farming and forestry into areas that would not help exports.

"The agony we are going through is entirely self-inflicted," Mr Birch said.

#### Confidence

"If you move too quickly, there is too great a risk that you could damage essential industries.

"Confidence is a very delicate flower, particularly farming confidence.

"But for the first time in a long, long time, the farming industry is going to be tossed to the walls."

Mr Birch said the Muldoon Government had accepted that the budget deficit had to be cut, and that it had to be done by some form of indirect tax.

"But we had a determination to bring it down without destabilising the essential industries that have been put in place--horticulture, manufacturing exports and so on as well as traditional farming," he said.

#### Understanding

"They need, not subsidies, but an understanding that the climate they need to succeed has to be handled with a great deal of care.

"The internal deficit had never been a problem until the 1982 tax cuts. It was a matter of gradually moving back to a more reasonable deficit.

"The key to it is restraining Government spending and, if you look at that side of the budget, there are a lot of question marks emerging from this Government's policies."

CSO: 4200/966

NEW ZEALAND

LABOR MINISTER ON RELUCTANCE TO INTERVENE

Wellington THE EVENING POST in English 15 Apr 85 p 8

[Article by Lynne Walsh: "Roger Not 'Addicted' To Intervention"]

[Text]

The Minister of Labour, Mr Rodger, under fire from several quarters since taking over the portfolio because of his lack of intervention in industrial disputes, says he believes past Ministers of Labour have been addicted to intervention.

"In general, government intervention has in the past not shortened disputes, and in some instances has protracted them, as it has delayed getting the parties together, and forcing them to come to grips with the issues that lie between them," Mr Rodger said.

In an interview with the "Post" in which he outlined his approach to the job, Mr Rodger said that when he took over as Minister of Labour nine months ago, he stated clearly that he did not want to get involved, in the day-to-day sense, in industrial disputes.

And despite some criticism from his political opponents "that's what I have practiced."

Mr Rodger said he had and would intervene in disputes affecting the national interest, such as Marsden Point, or disputes such as that at Air New Zealand because of the effect on the travelling public.

But he believed the majority of disputes could and should be settled by the parties involved.

"It's true I have been subject to some criticism by both employers and unions for not intervening but I have found that by declining to do so, it's not very long before the parties themselves get together to work through the issues."

Mr Rodger said it was extraordinary how often he found that the actual negotiators, both unions and employers, had not had any dealings with each other over quite a long period.

That was in part because of the prolonged wage freeze which meant the two groups hadn't had to come together in a formal negotiating sense. "When they do come together they often find there are real human beings on

the other side of the table and are able to find common ground."

Mr Rodger said the central organisations, the Federation of Labour and the Employers' Federation, had interestingly enough both espoused over the years a non-interventionist role for the Minister of Labour. But this was the first time they had encountered a minister prepared to stick to such a policy.

Mr Rodger said the temptation was to intervene. "That's the soft thing to do, the easy thing, the temptation is there but I have been encouraging the parties to deal one with another."

Asked whether a "stand off and wait" policy could work, Mr Rodger said: "Certainly, virtually every week I see examples where the parties signal they want some involvement from me, told to go off and talk to their counterparts and do so, and the next think I read of the dispute being settled."

When it was put to the minister that some would suggest he was merely passing the buck, Mr Rodger emphatically rejected the suggestion. "We have had ministers in the past who have been addicted to intervention. My firm view is that they have not helped in the resolution of disputes."

Mr Rodger said he was being criticised by his political opponents but the previous government's record on industrial relations was far from good.

"You just have to look at Marsden Point, the Mangere Bridge, and former Prime Minister Sir Robert Muldoon's payment of public money to the meat workers in 1978 in order to settle a dispute."

Asked how unions reacted to being told the minister was not going to intervene Mr Rodger said they were at first stunned, as probably the employers were also, but his policy was now becoming more commonly recognised.

"You do lay yourself open to criticism but

in the longer term it was better for industrial relations in New Zealand."

Mr Rodger said he often had behind-the-scenes contact in some disputes and hardly any dispute occurs that he was not aware of the issues involved. He was tracking them constantly, he said.

Mr Rodger said provisions in the new long-term wage-fixing agreement provided for greater flexibility for the Arbitration Court to take account of industry's specific factors, and he hoped the new provisions would be more greatly utilised by parties involved in disputes.

The director of advocacy with the Employers' Federation, Mr Steve Marshall, said the federation had for sometime believed that government's role in industrial disputes should be minimised.

As a general principle the federation believed that where there was a contract between two parties, as between union and employer, the parties themselves should resolve disputes. The chief arbitrator should not be the Minister of Labour.

But Mr Marshall said the federation had reservations about how practical such a policy was. Unfortunately, a policy of non-government intervention without accompanying attitudinal changes and structural changes to make the participants in agreements accountable for their actions missed the mark.

Under the present system, the federation had doubts as to how long the minister would

be able to keep himself at arms length from disputes, he said.

Mr Marshall said successive ministers had started out by stating they would not intervene in day-to-day disputes and did not intend to play the role of chief negotiator. But each one had found himself dragged in.

But Mr Marshall added that Mr Rodger seemed more forceful in his determination not to become involved.

The trade unions have in the past advocated a non interventionist role for the Minister of Labour but FOL president Jim Knox could not be contacted by the "Post" for comment.

But secretary of the distribution unions, Mr Rob Campbell, said he believed Mr Rodger's approach was quite appropriate.

"I don't think it makes any sense for him to try and act as an additional conciliator or mediator."

Government should not intervene until there is not only a clear need but also a request or acceptance by the parties involved of the need for intervention.

Mr Campbell said he agreed with Mr Rodger that intervention in the past had in some instances lengthened disputes.

"There are both informal and formal machinery available for settling disputes. If the minister charges in he can make a political dispute out of something that does not have a political element."

CSO: 4200/966

NEW ZEALAND

## CUTBACKS IN MEAT INDUSTRY EXAMINED

Christchurch THE PRESS in English 15 Apr 85 p 20

[Editorial: "A Leaner Meat Industry"]

### [Text]

New Zealand's export meat industry faces a severe cut-back in plant and jobs. Perhaps as many as half of the country's freezing works and as many as 12,000 jobs are under threat. Most people in the industry, and not a few outside it, have long known that large sections of the industry are not sufficiently economic or efficient to match the state of the market. The problem has been to decide just which sections must be attended to, and how either to improve or remove them. The latest study, commissioned by the Meat Industry Council, goes some way towards suggesting answers to those questions.

Reaction to the report has ranged from cautious to enthusiastic; as yet, no-one has rejected it out of hand, although the meat industry unions have yet to make their feelings known. Their response will be critical to the implementation of the report's recommendations. Nevertheless, the general endorsement of the report by the chairman of the Meat Board, Mr Adam Begg, and the Minister of Agriculture, Mr Moyle, will lend weight to an early adoption of at least some of the suggested measures. The possibility of savings of up to \$200 million is an inducement too substantial for the industry to ignore.

Recovering some international competitiveness in meat exports will inflict pain on all sections of the industry. Spreading the load fairly, and persuading the parties that pain now will be better than death later, are tasks sufficient to tax a Solomon. The report will cause some soul-searching and no doubt some heated debate. The process cannot be allowed to take too long if an advantage is to be gained from the work that has been done. The recommendations, some of them radical, have wide implications, not all of which are addressed by the report. Nevertheless, quibbling

about the fine print is a luxury that neither the industry nor the country can afford.

Either the main thrust of the report will be adopted or it will not. If it is not, the industry will have to suggest something better in its place. The proposed quota system would assign to existing freezing works a kill quota based on the best production of the last three years, and allow the companies to buy and sell their entitlement. This is reasonably fair as a starting point. The differences of opinion will arise from there on. The intention is to enable those companies that want to close down works or leave the industry to do so by selling their killing rights to an expanding company for a consideration that, in theory at least, will help to meet redundancy payments and other costs.

Those who benefit from the reduced competition among works — and the more efficient use of their plant that results — would pay something towards the rationalisation of the industry. In effect, the expanding companies are expected to pay out to help existing plants to close. This might be so in the long run; but to get things moving it is recommended that the industry dip once more into the taxpayer's pocket. Mr Moyle is talking of sums up to \$30 million in grants to companies that enter agreements in the first year of the scheme to take up killing rights.

That such additional inducements are considered necessary highlights a difficulty with the scheme: without enforced closings, or without a Government-ordered reduction in killing charges to force weaker plants to close, there is no guarantee that reductions in capacity will occur. For many plants, the costs of closing down are just as forbidding as the costs of remaining open, unless killing charges are set at a figure that enables only the most efficient to survive.

For some plants, the best course still might be to accept the quota imposed and carry on regardless. Barely economic operation has not been sufficient in the past to drive all of the losing plants from the scene. Two South Island beef plants and three North Island freezing works have closed in recent years — amid great uproar in some instances — yet the report clearly shows that more uneconomic plants continue to struggle on. Even Mr Moyle's \$30 million would not go far in redundancy payments for the number of jobs that would have to disappear if the recommended 35 to 40 per cent reduction in capacity is to be achieved. This sweetening of the pill might not be sweet enough.

The taxpayer's contribution will not end there. The report suggests that Government aid should be applied to such things as retraining and relocation of workers put out of jobs by the closing of plants. This alleviation of the social costs of the scheme is likely to be all-important when the plants closed are the main employers in their areas. The success of the scheme will require from the meat industry unions a co-operation for which they have not been noted. Shift-work, the introduction of new technology, and even lower unit wage rates — all of which have been firmly resisted by the unions — are part of the report's recommendations. The report estimates that savings of more than \$50

million are to be had simply by using present technology.

The report has endeavoured to point the way to a healthier meat industry. The industry still accounts for the biggest single contribution to the country's wealth from exports and its health is in large measure the health of the New Zealand economy. No-one in the industry will be entirely happy with the recommendations; this might be a reflection of its attempts to share the load of restructuring as broadly as possible. Before the debate becomes too particular about how the scheme will work and to whose detriment, the parties might be best advised to assure themselves that it will work and achieve what is claimed for it.

The report, it should be noted, offers a "contingency plan" of forced closings by decree should these be deemed necessary. When the whole industry, not just farmers, has been supported by subsidies, and when the Government clearly wants the meat industry to contract if the export market so dictates, no-one can ignore this message from the Meat Industry Council. Some parts of the industry are plainly under threat. All that remains, short of an unforeseeable boost in export prices, is the question of how to wind down some parts of the industry and greatly improve the productivity of what remains.

CSO: 4200/966

NEW ZEALAND

**GOVERNMENT FACES INCREASING FUEL PRICE TO MEET LOAN**

**Marsden Refinery Project at Issue**

Christchurch THE PRESS in English 16 Apr 85 p 1

[Article by Michael Hannah]

[Text]

**The Government is seeking legal advice on its obligation to meet \$239 million in extra loan repayments this year on the Marsden Point refinery expansion project**

Officials yesterday confirmed that a petrol price rise of about six a litre, or more if a decision is delayed, would be needed to cover the loan costs this year.

The cost of delaying a decision appears to have put the Government under pressure to consider a price rise this month.

The timing could not be less favourable to the Government, as it comes immediately after the latest official figures have shown inflation at 13.4 per cent, and an Opposition attack predicting a 20 per cent inflation rate.

Under this pressure, the Government yesterday attempted to lay blame for an imminent petrol price increase on the Opposition spokesman on finance and previous Minister of Energy, Mr Birch, who at the week-end attacked the Government's handling of inflation.

Basing his prediction on the latest consumer price index, published yesterday, Mr Birch said the Government would face an infla-

tion rate of 20 per cent this year, for the first time in New Zealand's history.

The Acting Prime Minister, Mr Palmer, yesterday attacked Mr Birch when he announced that the Government was seeking legal advice from the Solicitor-General on the Government's obligations to pay under the refinery expansion contract.

Mr Palmer said that, although Mr Douglas had earlier questioned the viability of the expansion project, the precise amount owing in loan repayments this year had not been known by the Cabinet until yesterday.

Mr Palmer described Mr Birch as "an expert on inflation" who was responsible for the contract with the refinery company.

Several times Mr Palmer described the petrol levy, which is raised to cover the loan repayments, as the "Birch levy."

Mr Palmer said the Government was investigating ways of financing the expansion project, the running of the petrol pool account, and the viability of the

refinery project and the implications it had for the synthetic fuels project and New Zealand's oil wells.

Ministers in the investigations were the Ministers of Trade and Industry, Mr Caygill; Finance, Mr Douglas (at present overseas); and Energy, Mr Tizard.

"We ... want to know why that expansion is so expensive. We want to know what value the New Zealand motorist is getting out of it. We want to examine the legal obligations under the contract agreements which we have inherited on this matter," Mr Palmer said.

No decisions would be made until the Solicitor-General's report had been received, within a few days. However, Mr Palmer said that the contract appeared "unbreakable."

This, and the fact that he and officials confirmed there was no deadline from the oil companies for the Government's decisions, led observers to conclude that the Government's moves had been precipitated by the Opposition's attack on infla-

tion.

Asked whether deferral of the loan repayments, and therefore of the expansion project, was being considered, Mr Palmer said this was an option. He said it would be cheaper to import petrol directly over the next 10 years than to buy from the refinery.

Mr Palmer could not say what the \$239 million would convert to in petrol prices, except to describe the rise as "not insubstantial."

Cost increases of that level were a serious impost on motorists; they would flow through into the consumer price index, and "we are talking about a cost-plus mentality in relation to petrol that is quite remarkable," Mr Palmer said.

"We really do think that the Birch levy will be a millstone around the neck of the New Zealand motorist for quite a long time."

"If it is possible to find ways to avoid the Birch levy we will do it. But there is no doubt that Mr Birch is an expert on inflation," Mr Palmer said.

## Delay Would Raise Cost

Christchurch THE PRESS in English 16 Apr 85 p 1

### [Text]

A delay in increasing the levy on petrol to meet the refinery expansion loan costs would add a further 3c a litre to the increase by June, according to an official source.

The source said that the levy would need to be set at 13c a litre at present, compared with probably 16c a litre if the decision were left until June. The levy, set last August when petrol prices last rose, is now 7.9c a litre.

The source explained that motorists might also have to meet a further rise in the levy to take account of

increases in interest repayments on the refinery loans as a result of exchange rate movements, and an increase in the oil companies' wholesale margin.

This would push the increase in petrol prices to at least 8c a litre, as predicted by the Minister of Finance, Mr Douglas, earlier this year, though the figure is considered likely to be higher still.

Motorists are already paying for some of the \$239 million in loan repayment costs referred to by the Acting Prime Minister, Mr Palmer. The 7.9c a litre

levy set last August covered some of this cost, an official source said.

However, \$80 million in the first capital repayment on the loans would fall due in July and this, as well as increases in interest repayments as a result of the strengthening of the United States dollar, would have to be met by a further rise in the petrol levy.

The \$80 million capital repayment would convert roughly to 3c a litre in petrol prices. Another 1c or 2c a litre is expected to cover exchange rate movements, and a further rise is

expected to cover the wholesale margin for oil companies.

Retailers' margins were last adjusted in January but this was achieved by adjusting the wholesalers' margin. It is thought that an increase in the wholesalers' margin would have to be considered, as they have faced losses on exchange rate transactions, which have resulted in deficits on diesel and fuel oils in the petrol pool account.

To balance the petrol pool account, therefore, a rise in the wholesalers' margin is expected to be necessary.

CSO: 4200/966

NEW ZEALAND

**NEED FOR NEW MULTILATERAL TRADE TALKS VIEWED**

**Christchurch THE PRESS in English 17 Apr 85 p 16**

**[Editorial: "Towards a New Trade Round"]**

**[Text]**

The ministerial meeting of the Organisation for Economic Co-operation and Development, which the Minister of Finance, Mr Douglas, has just attended in Paris, has lent its weight, albeit not its full weight, to a new round of multilateral trade talks. New Zealand is bound to give its full weight to a new round, if for no other reason than that New Zealand would be at a great disadvantage if countries decided to make trade agreements bilaterally rather than multilaterally.

If the United States, for instance, decided to do a series of trade deals with Japan, New Zealand hopes of continuing to have access to the United States and the Japanese markets would be so much less. Even if countries have a favourable trade balance with New Zealand, in terms of world trade New Zealand is a very minor player and could, in an oversight, be left out of most world trade altogether. When principles are established about equal access for all traders, New Zealand stands to gain.

The United States is a prime mover for a new G.A.T.T. round. Japan also wants a new round. The European Economic Community is prepared to accept a new round though it has attached a number of points to its acceptance which are variously taken as conditions, or as negotiable starting points. The United States is particularly interested in new rules to govern trade in services. This would entail such questions as the treatment of foreign companies in the same way as national companies, both over tariffs and over such matters as taxation, and a host of other matters.

Many reports of a new G.A.T.T. round talk about both services and high technology; but if trade in services is still a difficult subject, trade in high technology items is even more difficult to accommodate in multilateral trade talks. One reason for considering the high

technology items is that technology has advanced considerably since specifications were drawn up for items of trade now listed under G.A.T.T. rules. Should a digital disc player which uses a laser beam be considered, for instance, under the same tariff or quota category as a wind-up gramophone? Opposition to a new G.A.T.T. round has come from the developing countries, some of which are not as advanced in services and in high technology. Some developing countries have begun to favour another trade round, although others still resist it.

Although New Zealand generally benefits from more open world trading, direct benefits would come from any move to free trade in agriculture. There is little reason to hope for such a change. The E.E.C. has stipulated that any moves over agriculture would have to accord with the E.E.C.'s Common Agricultural Policy system. If the Europeans persist in this view, no fundamental change in trade in agricultural products is likely. The system of subsidising agriculture towards higher production will continue and subsidised, surplus production will continue to find its way on to markets outside the E.E.C. The extent to which the United States will be prepared to push the Europeans on this issue remains to be seen. However, there will be no new trade round unless the Europeans agree to having one, so Europe cannot be pushed too far.

New Zealand is at present having its own difficulties both with the United States and the Europeans over butter. Last year, the United States gave notice of its withdrawal from the International Dairy Arrangement, a G.A.T.T. body which aims at the liberalisation of dairy trade. One of the protocols of the International Dairy Arrangement fixes minimum prices. For butter, this is \$US1200 a tonne. The United

States' withdrawal has now become effective and the United States feels free to sell its butter at whatever price it wants to.

The E.E.C. wants the minimum price to be lowered. New Zealand is at present fighting in Geneva to see that the present minimum price is maintained. Because the minimum price is also the world price, any lowering will mean lower returns to New Zealand. This country must therefore regard the moves towards a new trade round with mixed feelings. On the one hand, it cannot afford to ignore them; on the other, its experience in agricultural trade gives it as much reason as any country to be sceptical about the outcome being of significant benefit.

CSO: 4200/966

NEW ZEALAND

NEW ZEALAND TALKS ON SOUTH PACIFIC NUCLEAR-FREE ZONE

Auckland THE NEW ZEALAND HERALD in English 6 Apr 85 p 4

[Text]

Plans for the creation of a nuclear-free zone in the South Pacific are moving ahead with forum discussions now taking place in Wellington.

A South Pacific Forum working group, chaired by Mr David Sadleir, an assistant secretary of the Australian Ministry of Foreign Affairs, will meet in Wellington until about the middle of next week.

The group, represented by officials from all Forum nations, with the exception of Tonga and Vanuatu, is working on a text for a draft treaty. This will be considered by heads of Government at the next South Pacific Forum conference, in Rarotonga in August.

The group's work is understood to be well advanced. It held its first meeting in Suva and met in Canberra this year.

Forum nations decided to push ahead with a nuclear-free-zone proposal at the Forum conference in Tuvalu last year.

NEW ZEALAND

## SOUTH PACIFIC FORUM WORKS FOR NUCLEAR-FREE-ZONE COMPROMISE

Auckland THE NEW ZEALAND HERALD in English 10 Apr 85 p 20

[Text]

### The South Pacific nuclear-free zone will be a zone of compromise, international surveillance and controls but the attitude of France is seen as a major obstacle.

A working group of the South Pacific Forum, chaired by Mr David Sadleir, an assistant secretary of the Australian Ministry of Foreign Affairs, has conducted its deliberations at Wellington this week, in its third sessions since the forum decided to forge ahead with the proposal.

The problems arise in how far the forum nations want to go geographically in establishing the zone and to what extent they want to exclude nuclear activities in the region.

#### Boundary

French Polynesia may have to be excluded from the agreement because the French Government is unlikely to sign a treaty which calls for an end to nuclear testing.

Similarly the northern geographical boundary of the zone may have to be Kiribati because American weapons testing, and military commitments to its present and former Micronesian trust territories may also be incompatible with the treaty's requirements.

The problems the drafters of the nuclear zone treaty face are spelled out in a New Zealand select committee report on disarmament and arms control.

At Tuvalu last year forum heads of Government asked for a draft treaty which would ban nuclear weapons testing, nuclear waste dumping and storage and the manufacture of nuclear weapons in the region.

The treaty would allow individual forum nations to make their own decisions on the hosting of nuclear warships.

The forum working party has already had to accept the reality that not all forum nations want a total ban on nuclear activities in the region.

Each nation will retain the right to host nuclear warships but that is not regarded as a serious obstacle in working towards a general principle which all South Pacific nations support.

#### Spread

The New Zealand select committee's report suggested a viable South Pacific nuclear-free zone could be established within the limits staked out by the Treaty of Tafelolco.

That treaty, like the Antarctic Treaty and the Outer Space Treaty, seeks to limit the spread of nuclear weapons by preventing their introduction into areas hitherto free of them.

The Latin America treaty concerns itself with a huge area inhabited by nearly 200 million people, but it has yet to be formally accepted by all Latin American countries.

Cuba is among the few that have not signed the treaty and an irony of that situation is that it was the Cuban missile crisis of October 1962 which prompted other Latin American nations to take action.

### **Ratified**

With the example of the Tlatelolco Treaty before it the forum working party knows it will be necessary for major powers with nuclear weapons to apply the provisions of the treaty to their territories within the zone.

Britain, Holland, France and the United States ratified the Tlatelolco Treaty, but the United States was not prepared to include the Virgin Islands or Puerto Rico in it.

A separate United Nations study on the creation of nuclear-free zones states that zones should have the support of nuclear weapon states and from the outset all five nuclear weapon states must give their support to every aspect of any proposed zone.

The New Zealand select committee's report said Russia was likely to place considerable pressure on forum nations for a ban on nuclear ship visits and other forms of transit through the zone.

That move would be unacceptable to the United

States, Britain and probably France, the select committee believes.

The drafters of the South Pacific Treaty have started with the advantage that none of the forum nations is engaged in the manufacture, testing or storage of nuclear weapons, and no major nuclear power — except France — has plans to establish land-based weaponry in the region.

### **Safeguards**

They are likely to end up with a lengthy document matching the 31 articles and two protocols contained in the Latin American Treaty.

That treaty outlines the obligations of each member nation, defines the territory over which it applies and also nuclear weaponry.

It establishes an agency responsible for consulting member states on zone matters, plus a conference, council and secretariat.

Each contracting nation is obliged to negotiate multilateral or bilateral agreements with the International Atomic Energy Agency for the application of its safeguards to

any nuclear activities (for peaceful uses) it may wish to carry out.

That agency is permitted to make special inspections of installations and equipment.

The Latin American treaty is regarded as a permanent one which is intended to remain in force indefinitely, but any party can denounce it by simply notifying the general secretary of the agency giving three months' notice.

From the start the United States gave its support to the Latin American treaty, principally because it did not want another Cuban missile crisis on its doorstep.

### **Restricted**

There is unlikely to be any strong opposition to the forum's zone, providing its geographical area is restricted to member countries and does not attempt to include French Polynesia and American Micronesian territories.

The forum drafters may take a gamble of attempting to include those areas in its peace plans in anticipation of their joining the treaty on gaining independence.

CSO: 5200/4325

PHILIPPINES

MUSLIM LETTER HITS NPA, 'U.S.-BACKED MARCOS DICTATORSHIP'

Quezon City ANG PAHAYAGANG MALAYA in English 19 Apr 85 p 5

[Letter to the Editor by Jikiri Tawantawan: "Materialist Doctrine Negates God--Muslims Not Communists"]

[Text]

May peace and blessings of God be upon you.

In the two issues of the Malaya dated April 13 and 14, 1985, you featured a press conference given by the National Democratic Front (NDF) somewhere in the Zamboanga peninsula. According to the report as published in said issues of your paper, a Muslim sits in the provisional council of the NDF in Mindanao and the New People's Army (NPA) is said to have established links with the Moro National Liberation Front (MNLF).

As a Muslim allow me to clarify misleading points in the report.

A real Muslim can never accept a seat in the council of the NDF which is a communist organization because to him, communism is incompatible with his ideology which is Islam. It would be more appropriate to state that the one who is said to be a member of the NDF council is a Moro but never a Muslim.

There are many Moros who converted to

Marxism but these people are no longer Muslims and they should not be called as such for they have substituted Islam, out of ignorance, for a materialist doctrine which categorically denies the existence of God.

We Muslims have fought the U.S.-backed Marcos dictatorship for more than a decade and we will not desist from doing so until we are free of its colonial domination. Similarly, we oppose any force that intends to maintain the colonial subjugation of the Moro Muslim people. In this regard, we renounce renegade Moros — whether surrenderees or Marxists — who are willing to sell their faith and people to tyrants and oppressors. To us Muslims, there is no difference between the U.S.-backed Marcos dictatorship and the Marxists because both represent man-made systems that are anti-human and therefore anti-Islam and both share the same intention of perpetuating the colonial status of the Bangsa Moro Muslim people.

As to the links of the NPA with the MNLF, we do not deny that the NPA has been trying to forge an alliance with the Front. Nevertheless, it must be understood that as Muslims we do not agree to such an alliance and strongly oppose integration with the Marxist movement. Let them do their job and we shall do ours.

In the early '70s when the full might of the U.S.-backed Marcos dictatorship was unleashed on the Muslims, the CPP-NPA did nothing in Luzon and Visayas to divert the attention of the Marcos colonial forces. And neither did the so-called non-Marxist opposition in the north. No one demonstrated in the streets of Manila or made an outcry while 300,000 Muslims were mercilessly butchered in the south. Yet, when a single Marxist bigwig is captured, jailed or killed, massive demonstrations are launched in the name of justice, freedom and democracy and news of his death is bannered all over the country.

Since the beginning of our jihad against the U.S.-backed Marcos dictatorship, the CPP has tried to make us believe that it fully supports our struggle for self-determination or even recognizes our right to independence. The NLF's announcement on the establishment of the so-called Moro National Revolutionary Democratic Front during that recent conference in Zamboanga peninsula, how-

ever, belied all these claims. This announcement exposed the Marxists' true colors and intentions to subvert the legitimate revolutionary struggle of the Muslims and divert its path towards the communist goal. This betrayal is typical of communists.

Let this be a reiteration of our stand: If the non-Muslims of Luzon and the Visayas want to live under national democracy and communism, then let it be so. We can be neighbors with communists but we cannot allow ourselves to live under a tried and tested oppressive system. Thus, we are making it clear to the CPP and its satellite organizations that we Muslims want Islam and Islam alone. Ours is an Islamic revolution and therefore our objective is Islam. If the communists persist on imposing their ideology on us, they will have to deal with another Afghanistan. They must remember that as Muslims, jihad and martyrdom (shahadat) are our way of life.

We are therefore warning the communist forces to get out of our areas and to stop proselytizing among our people. Otherwise, we will be constrained to adopt extreme measures to drive them and their two agents out of our territories just as we will eventually drive out the colonial forces of the U.S.-backed Marcos dictatorship, insha-Allah.

Allahu Akbar!

PHILIPPINES

LAWYER DENIES ACCUSATIONS OF U.S. MEDDLING

HK271412 Manila BULLETIN TODAY in English 26 May 85 p 27

[Text] A former delegate to the 1971 Constitutional Convention said yesterday there is really no American intervention in Philippine affairs when the United States Senate passed a resolution sponsored by Senator John Kerry.

"To say that the resolution is a case of intervention is to sidetrack the very essence of the resolution," said lawyer Ceferino P. Padua, a former professor of international law.

Padua said that when the U.S. Senate resolution speaks of free, fair, and honest elections in 1986 and 1987, fair and open prosecution of the Aquino assassination, ensurance of freedom of the press and speech, these are but strongly-suggested remedies to the rapid deterioration of the social milieu--rampant violations of human rights and basic freedoms.

He claimed that the basic ills sought to be corrected by the U.S. resolution pertain mostly to the promotion of "respect for human rights and for fundamental freedoms for all" which are among the purposes of the Charter of the United Nations.

Padua said that the U.S. and the Philippines are signatories to the UN Charter which, among other objectives, "reaffirms faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small."

He said that such matters are no longer confined to national territories as they are now of international concern. It may be said they are properly universal affairs, he added.

Padua said that it is as much the right of the U.S. or any UN member-country which signed the Declaration of Human Rights to express concern over violations committed in Southeast Asia, in the Middle East, Africa or in South America.

CSO: 4200/976

PHILIPPINES

RAMOS BELIES ASBESTOS CAUSE OF DEATHS ON U.S. BASES

HK271151 Manila BULLETIN TODAY in English 26 May 85 pp 1, 15

[Text] Lt Gen Fidel V. Ramos, acting Armed Forces chief of staff and concurrent base commander of Clark and Subic bases, denied yesterday that asbestos poisoning and radar radiation caused the death of 28 Filipino dockworkers and night security guards employed in the U.S. facilities at Clark Air Base and Subic Naval Base.

Ramos said that the reported deaths attributed to radioactive materials were said without basis.

He had ordered Capt Virgilio Marcelo of Subic and Col Augustus Paiso of Clark to investigate the report and submit results soonest.

The investigation showed that no definite evidence was found to confirm the cause of the reported deaths, according to Ramos.

The investigation report said that since 1978, the U.S. Subic facility has instituted an asbestos control program which prescribed stringent measures to eliminate the risk of asbestos poisoning among its workers.

These precautions include protective clothing, rigid work procedures, special work place ventilation and constant health monitoring by specially trained U.S. Navy industrial hygienists, the report said.

Ramos added that the U.S. Navy was also conducting its own investigation on the alleged news report, and findings will be shared with Philippine authorities.

CSO: 4200/976

PHILIPPINES

**PROPOSED ELECTION CODE RESTORES BLOCK VOTING**

**Quezon City ANG PAHAYAGANG MALAYA in English 16 Apr 85 pp 1, 8**

**[Article by Ben Evardone]**

**[Text]**

Block voting, the system that swept the Kilusang Bagong Lipunan (KBL) to power in 1978 and scrapped last year during the Batasan polls, has been restored in the proposed omnibus Election Code and could abet large-scale cheating and fraud in future elections.

Opposition solon Jaime N. Ferrer made this charge yesterday, saying the proposed code, which will govern future elections if passed by the Batasan, contains 10 "serious" defects" that hamper the holding of free and honest elections.

Ferrer, a former chairman of the Commission on Elections, said block voting has been proposed to govern the presidential elections, which is slated for 1987 but could be moved sooner because of American pressure on the Marcos government for

immediate political reforms.

The other "defects" in the proposed election code discovered by Ferrer include:

- Authority of the Comelec to deputize law enforcement agencies with only the consent of the President;
- Holding of elections inside military camps;
- Prohibition of the use of indelible ink;
- Holding of elections from 7 a.m. to 5 p.m.
- Long campaign period of 60 days;
- Lack of guidelines on the succession of the vice-president;
- Lack of sufficient interval between the last day of registration of voters and election day;
- Printing of ballots, election returns and other paraphernalia by private printers.

Lack of a provision requiring the Comelec to deputize a national citizen's organization as its citizen arm within a definite time frame and based on a specific criteria.

Ferrer's disclosures come as the Batasang Pambansa resumed session yesterday and the ruling party buckled down to pass three major bills, including the proposed election code, before the Batasan ends its first regular session on June 30.

The committee on revision of laws, codes and constitutional amendments headed by Political Affairs Minister Leonardo Perez, is expected to report out the proposed Election Code for approval on second reading within two weeks, KBL sources said.

Ferrer assailed the return of block voting, discredited because of alleged large-scale fraud it spawned in the 1978 polls for the interim Batasan.

The use of block voting in the presidential poll is even more undemocratic, Ferrer said, as he urged that voters be allowed to "choose presidential and vice-presidential candidates from various parties."

During yesterday's resumption of session, the Batasan opposition submitted its counter proposals for inclusion in the proposed code.

The minority battled for the adoption of poll safeguards, including the legally

zation of the National Citizens Movement for Free Elections (Namfrel) as a watchdog to minimize cheating and fraud.

The minority also proposed for voting hours of from 7 a.m. to 4 p.m., the inclusion of pictures on voters IDs and the printing of all election paraphernalia by the Bureau of Printing.

It pressed for the scrapping of block voting, phased out last year by Batasan 697 which passed the special election law, and voting inside military camps.

If approved, the proposed election code will govern all elections in the future. The last Batasan polls, in which the opposition made a spectacular showing despite charges the ruling party had committed fraud, and terrorism, was governed by a special election law.

Last year, the Namfrel, acting as poll watchdog, deputized some 200,000 volunteers who helped minimize poll frauds in key areas of the country's more than 42,000 barangays.

The use of indelible ink, imported from the United States, was also introduced, but it was not known how effective a deterrent it was against multiple voting of so-called "flying voters."

Commenting on the proposal to allow the Comelec to deputize law enforcement agencies, Ferrer described it

as a "clear deterrent to the independence of the Comelec as a constitutional body."

He also urged that to minimize fraud, voting must be closed early. "Frauds and the use of force are easily perpetrated when darkness sets in," Ferrer said.

On the succession issue, Ferrer said the KBL code should state "in clear and precise terms that the Prime Minister shall succeed the vice-president in case of the latter's death, permanent disability, removal from office or resignation."

Ferrer said the defects in the proposed code must be corrected by the Batasan committee on revision on laws, codes and constitutional amendments immediately after the public hearings.

The committee had conducted in Metro Manila a series of public hearings on the proposal.

It had also agreed to hold public hearings in the provinces, but later cancelled these to allegedly pave the way for the immediate approval of the proposed code. The proposed code schedules the local elections on the second Monday of May next year, instead of in January and the presidential elections on the second Monday of May, 1987.

Sources said participants to the hearings held in Metro Manila failed to study carefully the proposed code because of limited time.

CSO: 4200/964

PHILIPPINES

**AMENDING ELECTION CODE URGED**

**Manila BULLETIN TODAY in English 18 Apr 85 p 6**

[Editorial: "Poll Code Discussions"]

[Text]

**P**HILIPPINE politics seem to be so complicated that the election code has to be amended every now and then.

It is not easy to make generalizations about the election law. It cannot, for example, be validly stated that the initiative to change some portions thereof comes from only one group or another or that some group seeks the status quo. It is clear that in recent years all the contending parties continually perceive the need for change. This may lead one to speculate that assuming the legislature votes for changes this year, new changes might be proposed after the coming elections and still more

after other future elections. This pattern would create the impression that there is some degree of experimentation in Philippine elections.

It is neither too early nor too late to suggest that the Batasang Pambansa should develop a strong consensus on the details of the election law to the end that the habit of amending the law is stopped. The stability of the rules would avoid confusion on the part of both politicians and public.

But it should be borne in mind that the wisest laws do not necessarily guarantee clean elections, for the law can be violated. The law should also be effectively im-

plemented by the government agencies concerned and the electorate itself should be imbued with the will to comply with the law.

Our elections have not been complete successes. In most elections, there are charges of rampant cheating and terrorism. Not all allegations are true, of course. But the large number of protests suggests the need for improving the electoral process.

Considering the fairly long experience, clean elections ought not be just an aspiration. They ought to be an established practice, on par with the elections in the advanced democracies.

CSO: 4200/964

PHILIPPINES

PRESIDENT DOES NOT RULE OUT EARLY ELECTIONS

HK271340 Hong Kong AFP in English 1254 GMT 27 May 85

[Text] Manila, 27 May (AFP)--President Ferdinand Marcos today said he was keeping his options open on the proposal to hold presidential polls in 1986, a year earlier than scheduled. He said the proposal would require a constitutional amendment or his resignation before 1987, but said the "key is on the door," and that he might call a New Society Movement (KBL) party caucus "to find out what they feel about it."

But Mr Marcos, whose comments were carried in a Presidential Palace statement, said he cannot foresee how the term of the president can be shortened without a constitutional amendment. "The idea of a voluntary resignation before the end of the tenure is unthinkable," he added.

There has been much talk here of possible snap presidential polls before Mr Marcos' current 6-year term expires in 1987. He has been in power for 20 years.

Opposition and ruling party MP's have also raised the possibility of holding presidential polls simultaneously with the local government polls scheduled for May 1986.

Earlier today in a press forum, Prime Minister Cesar Virata virtually ruled out snap or synchronized polls in the country, indicating they could add to the country's worst economic crisis since the Second World War.

Mr Marcos said holding a plebiscite to amend the Constitution would be costly, and that synchronized polls would be mixing the local and national issues, echoing Mr Virata's earlier argument.

Opposition circles here are buzzing with speculation that the ailing 67-year-old chief executive could step down before his term ends to pave the way for an election that would ensure his wife Imelda's succession to the top post.

Under this scenario, Mrs Marcos, 55, would either run as president outright or as the running mate of her husband. Mr Marcos last week hit back at his wife's critics and declared: "She is not the one running. I am the one who will."

CSO: 4200/977

PHILIPPINES

PRIME MINISTER SAYS SNAP ELECTIONS 'VERY UNLIKELY'

HK270616 Hong Kong AFP in English 0440 GMT 27 May 85

[Text] Manila, 27 May (AFP)--Premier Cesar Virata today virtually ruled out snap or synchronized polls in the Philippines, indicating they could add to the country's worst economic crisis since the Second World War.

Mr Virata told a press forum here that synchronizing the 1986 local government and 1987 presidential polls would also "wreak havoc" on the frequently amended constitution since it would require a new, costly change.

There has been much talk here of possible snap presidential polls before the incumbent Ferdinand Marcos' current 6-year term ends in 1987.

Opposition and ruling New Society Movement (KBL) members of parliament have also raised the possibility of synchronizing the two polls next year.

Asked later about advanced elections, Mr Virata told AGENCE FRANCE-PRESSE: "I think snap elections are very unlikely."

He stressed during the forum that Manila was bound to a strict financial program following last week's signing of agreements with foreign banks for 925 million dollars in new money and three billion dollars in trade credits.

The prime minister said it would be unwise to try to change the poll timetable and thus incur unexpected expenses at a time when Manila is obliged to tighten its belt.

"I don't think we can just increase again our deficit," he said.

Figures for the period leading to the May 1984 general elections showed an increase of about four billion pesos (216 million dollars) in the money supply and a sharp increase in inflation.

Mr Virata said the national government deficit for 1985 must not exceed one percent of the gross national product (GNP) under the financial program, compared with the deficit figures of 2 percent in 1983 and 1.7 percent in 1984.

He also said that any moves to hold presidential and local government elections together were "not politically sound" since national issues would be mixed with provincial and municipal matters.

Mr Marcos this month brushed aside predictions of a synchronized presidential and local election but left the door open by saying that a ruling party caucus may change its objection to the idea.

Opposition circles here are buzzing with speculation that the ailing 67-year-old president could step down before his term ends to pave the way for an election that would ensure his wife Imelda's succession to the presidency.

Under this scenario, Mrs Marcos, 55, would either run as president outright or as the vice president of her husband.

Mr Marcos last Thursday hit back at critics of his wife and declared: "She is not the one running. I am the one who will."

CSO: 4200/977

PHILIPPINES

COLUMNIST ON PRESIDENT'S SURPRISE APPOINTMENT AT KBL CAUCUS

Manila BULLETIN TODAY in English 20 Apr 85 p 6

[Article by Jesus Bigornia: "President Pulls Big Surprise at KBL Caucus"]

[Text]

**W**HETHER his standing up to President Marcos in an argument or his quick surrender when the line was drawn earned for him his appointment as deputy defense minister, Assemblyman Carlos Cajelo may never find out. Neither will colleagues in the Kilusang Bagong Lipunan (KBL) know whether tears he shed were drawn by the on-the-spur-of-the-moment appointment or by a severe presidential reproof just administered, both by "The Bossman." But the Lanao del Norte military man-turned-politician is now one of three deputy ministers of defense.

President Marcos had singled out Cajelo for a dressing down for reorganizing the KBL provincial and municipal chapters of the ruling party in his native province. In an unusually angry tone, the President asked Cajelo why he was throwing out long-time members from the party. Cajelo had stood his ground. He pointed out that the men eased out were disloyal to the party,

having fought him in the last elections. He said he was but following the presidential instructions on revitalizing the ruling party. To which the President retorted that Cajelo missed the true intention of the national leadership which is to strengthen rather than decimate the party.

Presumably feeling he had lost out in the discussion, Cajelo was on the point of sitting down when the President stopped him with a peremptory: "Don't take your seat," followed by the explosion of the day's bomb: "I appoint you deputy minister of national defense." The KBL leadership assembled in caucus buzzed with speculation. Many thought the appointment was extended to salve Cajelo's feelings rubbed roughly by the presidential dressing down. But to those who know the President well enough hold that the Chief Executive was mulling the appointment of Cajelo, a retired army colonel, for a long time. Yesterday, it is held, the Lanao del Norte assemblyman passed his final test.

President Marcos has taken upon himself the man-killing job of arbitrating intramural squab-

bles over the selection of KBL candidates for elective public offices — provincial governor, through city mayor, to municipal mayor — in next year's local elections. Peeved by the large number and complexity of intra-party fights for party nomination, President Marcos, in his capacity as titular head of the KBL, ruled that he alone, together with the national party leadership, shall decide who shall run under the party banner in 1987. The "suggestion" received the total of the caucus.

\* \* \* \* \*  
The presidential decision may have pried open a Pandora's Box of petty political troubles to plague the already heavily-burdened President. Every two-bit party man, feeling himself a better vote-getter than rivals, will now make a beeline for Malacañang to present his case directly to the President. Selection of candidates for elective local offices is sure to become battles of sponsors, much of it attended by favoritism and graft, with politically divisive potential. How well and how long the President can stand up to this kind of pressure only time will tell.

CSO: 4200/968

PHILIPPINES

OPPOSITION LEADER LAUREL URGES THIRD WORLD NATIONALISM

Quezon City ANG PAHAYAGANG MALAYA in English 15 Apr 85 pp 1, 8

[Text]

Opposition leader Salvador H. Laurel has called on the people of the Third World countries to assert nationalism "so that they may obtain a fair share of the world's diminishing resources."

Speaking at the 33rd commencement exercises of the Lyceum of the Philippines at the Philippine International Convention Center, Laurel, president of the United Nationalist Democratic Organization (UNIDO), said "nationalism provides the ready answer to the complex problems and growing pains of the Third World."

Laurel, a possible presidential candidate, said nationalism "is the driving force in the struggle of the developing coun-

tries for the establishment of a new international economic order."

Laurel, however, did not elaborate on the details of the new international economic order the Third World should establish.

He said nationalism is also the ultimate safeguard of the Third World countries against the "dictatorship of the left and the fascism of the right."

"If we are truly free from any manner or form of external interference can we ever start to rebuild our society in the image sanctified by the sacrifice of our countless heroes and martyrs," Laurel said.

Quoting former Senator Claro M. Recto, Laurel said "the present task of Filipino nationalism is to give this Republic an honest and efficient

government, a government that will make our independence a real blessing to the people and thus enjoy their trust and support."

He said "nationalism will provide the key to our national salvation."

CSO: 4200/964

PHILIPPINES

CORY AQUINO LETTER DENIES PRESIDENTIAL AIMS

Quezon City ANG PAHAYAGANG MALAYA in English 16 Apr 85 pp 1, 8

[Text]

(We received the following letter from Mrs. Cory C. Aquino yesterday as a reaction to the column of Mr. Jose G. Burgos, Sr. We are reprinting it in full.)

In your column today, I was surprised and rather upset to read the following paragraphs:

"...Fortunately for the nation, the opposition has just decided to fuse - and to put up Mrs Corazon Aquino as their candidate. Cory finally agreed to run after she was convinced there is no other way to unite the opposition groups and that she would be the best choice, either against the husband or the wife, especially the wife.

After all, Mrs. Aquino's main objective is to get the Marcoses out of Malacanang. She has no use for the position. She has no political ambition. After her main

target is accomplished, then she will step out..."

Let me repeat what I have said from the very beginning. I do not seek any political office, and this position remains unchanged. You are correct in assuming that my main objective is to get the Marcoses out of Malacanang. This objective can only be realized if all the opposition groups rally behind one presidential candidate. This is the reason why Justice Cecilia Munoz-Palma and I have committed ourselves to try to unify the opposition.

To avoid any misunderstanding, and in the interest of accuracy, I would appreciate very much if you would contact me in case there is need for further clarification.

Please publish this letter in full at your earliest convenience so that your readers will be properly informed.

Thank you and please accept my best wishes.

CSO: 4200/964

PHILIPPINES

#### NEW OPPOSITION FEDERATION CALLS MINDANAO SUMMIT

Davao City PEOPLE'S DAILY FORUM in English 18 Apr 85 pp 1, 6

[Text] A Mindanao Summit Conference to work out possible solutions to the deteriorating political and economic conditions in Mindanao was called by the newly-organized new opposition federation Bagong Alyansang Makabayan (BAYAN-Mindanao).

National government officials both civil and military including President Marcos, political opposition leaders religious leaders from the Catholic, Protestant and Islamic hierarchies and leaders from sectoral and multi-sectoral organization and alliances have been invited to the first-ever summit conference.

Representatives from the foreign diplomatic community and the international and local media have also been invited as observers.

"All of us have to face this grave problem confronting Mindanao," BAYAN-Mindanao chairman of the organizing committee lawyer Laurente Ilagan said adding that "things are likely to deteriorate with the worsening economic crisis."

The conference will be held on May 5, 1985 in Davao City where the turmoil has been described in "crisis proportion."

Aside from BAYAN-Mindanao, the other sponsoring organizations for the summit are the Mindanao chapters of the Nationalist Alliance for Justice Freedom and Democracy (NAJFD) headed by Butuan lawyer Wilfred Asis, the Coalition of Organizations for the Realization of Democracy (CORD) headed by Silvestre Bello III and the Muslim-Christian Movement for Peace, Justice and Democracy (MCMJD) based in Iligan City.

The sponsoring organizations expressed concern during the founding of BAYAN-Mindanao in Cagayan de Oro City Saturday over the escalating violence in Mindanao as they urge for the holding of the summit to find possible solutions.

These matters are of outmost urgency according to Ilagan saying that "Mindanao, once called the land of promise is now known as the "bleeding land" of militarization, political repression and grim poverty."

In the last two weeks, two more prominent human rights leaders in Mindanao were killed lawyer Romarflo Taojo in Tagum, Davao del Norte and Italian priest Fr Tullio Favali, PIME, in Tulunan, North Cotabato.

Other victims of political killings in Mindanao over the past several months are editor Jacobo Amatong and lawyer Zorro Aguilar in Zamboanga del Norte, opposition leader Renato Bucag of Gingoog City, journalist Alexander Orcullo of Davao City and Zamboanga city mayor Cesar Climaco.

The widows and next of kin of the slain opposition leaders have been invited also to attend the summit.

Various sectoral and multi-sectoral groups are expected to present petitions and demands during the summit where the organizers expressed hope that President Marcos himself together with members [words indistinct] the cabinet and the chief of staff of the armed forces will attend to discuss the issues.

Lamenting that "the national government has not given enough attention to Mindanao and its problems, outside of intensifying militarization which worsens the already explosive situation," Ilagan said Mindanao is becoming the "flash-point of resistance and rebellion."

"We do not need militarization, we need basic social changes" Ilagan stressed.

Calls for similar dialogues have already been aired earlier by various groups including the Church, media, business and members of the Batasan Pambansa but nothing substantial happened.

Ilagan said BAYAN-Mindanao hopes to succeed in this summit conference and welcomes the participation of all concerned sectors and groups.

CSO: 4200/965

PHILIPPINES

OPPOSITION LEADER SAYS RECOVERY NOT POSSIBLE UNDER MARCOS

HK220742 Hong Kong AFP in English 0503 GMT 22 May 85

[Text] Manila, 22 May (AFP)--Opposition leader Salvador Laurel yesterday said the new 3.9 billion dollar loans approved by the Philippines' foreign creditors "will be good money thrown after bad" unless credible administration took over.

Mr Laurel's statement came after Philippine officials and representatives of over 400 foreign banks signed in New York Monday the loan agreement which included 5.8 billion dollars in debt restructuring.

Speaking before an opposition caucus yesterday in the southern Philippine city of Pagadian, Mr Laurel said economic recovery would not be possible under the rule of President Ferdinand Marcos, who has been in power for 20 years.

The president of the United Nationalist Democratic Organization (Unido), the largest opposition alliance, warned Filipinos against hoping for economic recovery after the loan package, saying they would have to suffer painful measures.

"Unless the political instability is met by a new and credible leadership, all these loans will be just good money thrown after bad, and future generations of Filipinos will suffer tremendously in having to pay for them," Mr Laurel said.

Mr Laurel challenged the president to be "man enough to submit to a fresh mandate" if he believed Filipinos would back the "bitter measures" that go with the loans. The opposition leader is one of the main opposition contenders in the presidential poll set for 1987.

CSO: 4200/974

PHILIPPINES

MRS MARCOS MEETS CITIZENS' ORGANIZATIONS ALLIANCE

HK170420 Manila TIMES JOURNAL in English 17 May 85 pp 1, 6

[Text] More than 500 "activists" stormed Malacanang yesterday morning and ended up holding a 4-hour dialog with the first lady, Mrs Imelda R. Marcos. The members of the 3-year-old nationwide organization Daop-Palad (Dakilang Alyansa ng Organizadong Pamamayan sa Pag-Unlad) [National Alliance of Progressive Citizens' Organizations] minced no words in talking about their successes, their request and their plans.

Nilo Tayag, former national chairman of Kabataang Makabayan [National Youth Movement] and now Daop-Palad head, told Mrs Marcos that the organization has now 200 affiliated groups with a total of 200,000 member-families. Among the members are 20 former ranking Nation al People's Army officers. "We are not mouthing foreign ideologies which do not suit the culture and character of the Filipino but an ideology borne out of the Filipino people," Tayag said.

He said that his group has held seminars in different barangay of the country. "What we are trying to do is to inspire government people to work for their country and flag. We also want to show the Filipino people in general that every good act of government, specially the leadership, has a reason to it, which is giving back to every Filipino, respect, dignity and identity," he said.

After Tayag, more than 10 Daop-Palad leaders based in Metro Manila each described the "real situation" in their baranggay.

Mrs Marcos listened and recalled that just a few years ago, the Daop-Palad leaders were involved in "angry demonstrations, shouting at the Palace doors and crying for justice, freedom and democracy." She said President Marcos listened to them on radio and TV and found out that they were fighting for the same cause--"uplifting the quality of life of the Filipino people through justice, freedom and democracy."

"We realize it can be done the president's way, a peaceful revolution based on an ideology of the Filipino and not borrowed from Karl Marx or Friedrich Engels," Tayag said.

Mrs Marcos directed National Housing Authority General Manager Gaudencio Tobias to look into the request of the people living in the depressed areas. She said there has been a lull for the past year on the zonal improvement program (ZIP) of Metro Manila due to lack of funds. "Hopefully, the coming months will be better and you can be sure we will act on your requests on a priority basis," she said.

CSO: 4200/973

12 June 1985

PHILIPPINES

## PROSECUTION PREPARING TO REST CASE IN AQUINO TRIAL

HK230840 Hong Kong AFP in English 0516 GMT 23 May 85

[Report by Roberto Coloma]

[Text] Manila, 23 May (AFP)--The prosecution in the Benigno Aquino murder trial today conditionally ended its presentation of witnesses and prepared to rest its case against armed forces chief General Fabian Ver and his 25 co-accused.

"Strong, very strong," chief state prosecutor Manuel Herrera confidently told reporters after he was asked to assess the body of evidence amassed by his panel against the alleged conspirators in the opposition leader's slaying.

Mr Aquino, President Ferdinand Marcos's top political foe, was shot dead at Manila Airport while under military guard on 21 August 1983 as he returned from self-exile in the United States. The murder trial began last February.

The accused are also charged with the murder of Rolando Galman, a gangster slain at the scene and named by the military as Mr Aquino's communist killer.

Asked if the prosecution was now confident of securing the conviction of the accused, Mr Herrera said: "Not only now but even way before."

The trial court ordered the prosecution to submit a list of its accumulated evidence by 3 June in preparation for resting its case. After the defense reacts to the list, the court would rule on which items are to be admitted.

The order came after the prosecution said it had no more witnesses lined up. It dispensed with the scheduled testimonies today of four members of a citizens' probe board whose report last October led to the murder trial.

The prosecution agreed with the order on condition that it be entitled to reopen its case after the resolution of two issues involving a key witness and the main evidence against General Ver and seven others charged as accessories.

The defense has asked the trial court not to admit as evidence the testimonies of the accessories before the probe board, which said they tried to cover up the crime by misleading the board. The defense is invoking the right against self-incrimination.

Businesswoman Rebecca Qijano, the only prosecution eyewitness to testify that a soldier shot Mr Aquino, has asked the Supreme Court to nullify the trial court's order recalling her to the stand and barring her from leaving the country until she showed up for cross-examination.

The defense initially waived her cross-examination after she testified on 2 May but turned around a week later and successfully demanded her recall, saying they had uncovered documents assailing her integrity and credibility.

Mr Herrera today told the court the prosecution may need to present additional witnesses if Miss Quijano was recalled to the stand and if the testimonies of the eight accessories were finally not admitted as evidence.

The board members who were to testify today were supposed to explain how General Ver and the other accessories tried to mislead the board.

The board's chairwoman, retired judge Corazon Agrava, had cleared General Ver and recommended charges against only seven military men.

Mr Herrera said he and the four board members agreed that only one of them, educator Amado Dizon, would take the stand and speak for the rest.

Mr Herrera decided to dispense with Mr Dizon's testimony, which would have been held next week as the witness was out of town, after the defense lifted its objection to the marking of the accessories' testimonies as exhibits.

The defense, which had vehemently objected before to the mere marking of the testimonies, said it was modifying its stand by allowing the testimonies to be presented while maintaining that they were strictly inadmissible as evidence.

Meanwhile, Mr Herrera confirmed in court that Mr Aquino's widow Corazon refused to testify on the civil aspect of the murder trial, which involves indemnities and damages to be awarded to the Aquino and Galman families.

Earlier press reports here said Mrs Aquino was sticking to her stand and that she could not expect justice as long as President Marcos remained in power.

Mr Herrera said it was now up to the court to award whatever amount it felt was right to the heirs of the slain men. He said indemnity for a murder victim was up to 30,000 pesos (1,620 dollars), but damages were unlimited by law.

CSO: 4200/974

PHILIPPINES

COLUMNIST ON NPA STRENGTHS, PARALLELS WITH VC

Quezon City ANG PAHAYAGANG MALAYA in English 16 Apr 85 p 4

[Article by Joaquin R. Roces in the column "This Is My Own": "Where Would You Go?"]

[Text]

Ten years after the Americans withdrew from Vietnam, TIME magazine came out with a special feature on the Vietnam war. The Philippines is not yet another Vietnam. But never have indications been so close. It may be good for us all to make some observations.

Last Sunday, Gregorio Cendana, our Minister of Information, branded as grossly exaggerated the NPA's claims of strength and influence in a press conference the NPA held in Zamboanga last week. If we were Cendana, we would be worried at the mere idea of the NPA being able to hold such widely publicized press conferences.

Cendana also noted that in recent encounters, the NPA could not hold their own when confronted by regular armed forces units. Thus, the insurgents have been confined to hit-and-run tactics, ambuscades and terrorism, he said, adding that last week alone, the NPA lost 50 men who were killed, and almost 50 wounded, thus giving a lot of importance to the body count way of

measuring success in a battle against dissidents.

By stating that the NPAs were confined to hit-and-run tactics like ambuscades, the Minister of Information practically admitted that such hit-and-run tactics would go on taking place and that as long as the NPAs are limited to such tactics that the government would consider its position as [that of winning. But that precisely is the difference between the government's position and that of the NPA. The government has to win to prove its right to govern. The NPAs only need to make the country ungovernable to prove that the powers that rule have no right to govern.

There was definitely more wisdom in Minister of Defense Juan Ponce Enrile's statement that this being a war between Filipinos, the military could not just go all out and kill all the dissidents.

But from TIME magazine and its comprehensive report on the Vietnam war, let us quote two items. From

the time the fighting between the French, on one side, and the Vietnamese, on the other, to the time that the French withdrew after Dien Bien Phu and the Americans slowly but steadily took their place, the Vietnamese, due to their inferior weapons, continually suffered many more casualties than either the French or the Americans. By Minister Cendana's body count way of determining the winner or loser in a war such as this, the Vietnamese clearly should have lost.

But as early as 1940, Ho Chi Minh was quoted as having said: "Kill 10 of our men and we will kill one of yours. In the end, it is you who will tire."

A few weeks before Saigon fell, US Col. Harry Summers Jr. was in Hanoi negotiating for the final withdrawal of US troops from Vietnam. He proudly made it a point to tell the North Vietnamese colonel he was negotiating with the following truth: "You know that you never defeated us on the battlefield."

And the North Vietnamese colonel replied: "That is true." But since the Americans were withdrawing, he added: "But it is also irrelevant."

To win the war against the dissidents, the military would have to identify themselves with the people's cause, and convince the people to identify themselves with the military's mission. At this stage of the game, they have become like politicians who must win acceptance by our people.

Now let us suppose that amnesty were granted tomorrow. As a consequence of which, a battalion of NPA regulars would enter Manila from the North to surrender their firearms and to join the celebrations. At the same time, a battalion of our military who have likewise risked their lives in battle against the NPA, will march into Manila from the South.

There would surely be welcoming crowds at both sites. Now as things stand today, where would you, dear reader, go?

PHILIPPINES

**MNLF RETURNEES BELIE UNITY WITH NPA**

Manila BULLETIN TODAY in English 17 Apr 85 p 8

**[Text]**

Two MNLF commanders who have returned recently to government folds belied news reports that there is an existing tie-up between the MNLF and the NPAs in Mindanao.

In an interview with newsmen at Camp Aguinaldo, MNLF Commanders Nur Khan and Gerry Salapuddin said that unity is remote between the two forces because the Muslims are God-fearing while the communists are not.

In the same interview Salapuddin said the news reports are just pure propaganda

to mislead the public and to make them believe that they are strong.

Salapuddin said it is impossible for the MNLF and NPA to joint forces because they have different interests.

Nur Khan said they have tried it in the past but they (NPA) wanted to control the MNLF. He said the separation began when they killed two of Nur Khan's men and massacred 53 Muslim civilians.

Nur Khan said this is the reason why he rejoined the government and fight the communists.

CSO: 4200/964

PHILIPPINES

FAMILY CLAIMS ALLEGED NPA DETAINEE TORTURED

Quezon City ANG PAHAYAGANG MALAYA in English 21 Apr 85 pp 1, 2

[Article by Jun Lopez]

[Text] A Tarlac farmer, said to be a top leader of the Communist Party of the Philippines (CPP) was manhandled by military men who arrested him in Quezon City, last April 3.

Florentino Arcilla, 32, tagged by the military as the vice secretary of the Tarlac-Pampanga provincial committee of the CPP, was beaten up by five armed men in civilian clothes, handcuffed and dragged to a waiting vehicle in the afternoon of April 3 before his wife, his six-month-old child and neighbors, his wife Belinda told Malaya yesterday.

Camp crame announced Thursday that agents of the Narcotics Command (NARCOM) arrested Arcilla at 24 Visayas Ave. Galas, Quezon City.

Arcilla, whom the military said is also known as "Commander Allan", is the brother-inlaw of Juanito Rivera, said to be the New People's Army (NPA) No 2 man, and is reportedly the nephew of NPA leader Bernabe Buscayno alias "Commander Dante".

He is being held under a Preventive Detention Action (PDA) order at Camp Crame in Quezon City after initially taken to Camp Olivas in San Fernando, Pampanga.

Belinds said her husband was in Quezon City to attend the baptismal of his youngest child, Amado Ray. They have three other children: Avelino, 12, Florentino Jr., 9, and Eugene Bart Allan, 6.

Belinda said Arcilla's whereabouts remained unknown for several days following his arrest. She said she and their relatives went to several police stations in Quezon City to look for him.

Malaya earlier reported that Arcilla was missing. Malaya later reported that Arcilla had been taken to a safehouse in Camp Olivas where he was tortured, according to human rights lawyers.

Belinda told Malaya that a certain Lt. Barba delivered last April 10 a letter allegedly written by Arcilla who said he was in good condition.

The following day, the same Barba fetched Belinda and her mother, Ana Giron, and took them to visit Arcilla.

Belinda said Arcilla's hands were tied at his back. But bruises or contusions were not visible.

Giron told Malaya that she learned that Col. Amando Espino of Camp Olivas had ordered Arcilla's arrest.

Arcilla was transferred to Camp Crame last Monday upon the request of his wife who said their children are still young to travel all the way to Camp Olivas to visit their father.

Arcilla is from Capas, Tarlac. He was detained in 1973 on subversion charges, but was released five months after.

CSO: 4200/968

PHILIPPINES

DOCUMENTS SEIZED IN RAID OF NPA UNDERGROUND HOUSE

HK231626 Manila PHILIPPINES DAILY EXPRESS in English 23 May 85 pp 1, 3

[Text] Documents and other materials captured from an alleged New People's Army underground house in Quezon City indicate that the rebel group had a hand in the escape of detained journalist Satur Ocampo last 5 May.

Documents declassified by the PC [Philippine Constabulary] intelligence yesterday show that among the items confiscated from the safe house were photographs and film negatives of the National Press Club [NPC] building as well as a letter dated 6 April saying that a certain "Aldo," who is under detention, will try to escape on the first week of May. "Aldo" is believed to be the code name of Ocampo.

Military intelligence agents seized the documents and other materials following a 4-hour firefight Tuesday which led to the killing of a Metrocom [Metropolitan Command] soldier and an alleged NPA leader, earlier reported to be a hostage of the NPAs.

Killed in the shootout at 8-B Sta Ana St., Project 7, QC [Quezon City] was CIC [Constable First Class] Leslie Colobong of the Metrocom Intelligence and Security Group. The other fatality was identified as Marcelino Villanueva alias Tony Mercado, a former detainee and second deputy secretary of the urban-based Armed City Partisans of the NPA, former secretary of the Urban Poor Party Organization, and member of the Manila-Rizal regional party committee of the Communist Party of the Philippines [CPP].

Members of the PC Security Group and the MISG [Military Intelligence Security Group] were sent to stake out the underground house Monday morning following intelligence reports that the subversives were set to hold a conference in the place to map out plans for a sustained "agaw-armas" operations in Metro Manila from 21 May to 12 June, Independence Day.

The declassified documents said the targets of the "agaw-armas" operations planned by the group are unsuspecting military and police personnel as well as other firearms holders.

The intelligence agents did not rush the safe house as the search warrant they had asked for was being processed. The warrant arrived after the encounter.

At about 10:30 am Tuesday, occupants of the safe house sensed the presence of the lawmen. Two of them, including their leader, Philip Limjoco alias Andro, tried to break away in a Toyota Corolla. Limjoco drove the car.

Upon seeing the fleeing car, the agents posted a blocking team, which Limjoco was able to elude. During the car chase that followed, Limjoco was able to jump out of the car and escaped by commandeering a passing car. His companion likewise escaped. The driver of the commandeered car is still unaccounted for.

Arrival of the search warrant issued by Judge Alfredo Enriquez of the Las Pinas court enabled the lawmen to assault the underground house. While the agents were maneuvering, however, the remaining four or five occupants of the house tossed a grenade at them and opened fire with at least two 7.62 mm assault rifles, killing Colobong. Villanueva was killed in the return fire. All of the suspects were able to escape the 100 or so soldiers and policemen sent to besiege the underground house.

Limjoco, the declassified documents said, is the principal suspect in the killing of police Maj Gen Tomas B. Karingal in a QC eatery last year.

Ocampo, who was captured in 1976, is suspected to be member of the central committee of the CPP and head of its press bureau.

Ocampo escaped from detention last 5 May, after voting in the NPC elections in the NPC building.

Among the photographs captured from the suspected NPA underground house were those of the interior of the NPC building particularly the third and fourth floors, the parking lot at the back, the front of the building and views of the NPC grounds as seen from the third and fourth floors.

Meanwhile, police investigators yesterday raised the possibility that Limjoco's group could have been involved in car heists after yesterday's recovery of several stolen licensed frame plates. The frame plates were among the items seized from apartment where the suspects had holed themselves in. The plates, police said, could have been stolen and then attached to stolen cars.

Investigators are also checking the whereabouts and background of a certain Ramon Domingo, whose name surfaced among the items seized, as the one who provided information to the group about his employer, a Chinese businessman who was allegedly involved in harassment of striking workers of a company owned by the businessman.

The papers, which turned over to military investigators for safekeeping, indicated that the businessman had been earmarked for liquidation because of his alleged involvement in the killing of one of his workers, identified only as Tagudin.

The governor of Kalinga Apayao, Amando Almazan, yesterday asked Lt Gen Fidel V. Ramos, acting AFP [Armed Forces of the Philippines] chief of staff, for at least one more infantry battalion to fight the growing number of insurgents in the province.

CSO: 4200/976

PHILIPPINES

REPORT ON GOVERNMENT PRESSURE EFFECTS ON NPA

HK231620 Manila TIMES JOURNAL in English 23 May 85 pp 1, 6

[Article by Eric Gallego and Paco Felicidario]

[Text] Communist insurgents have begun feeling the pressure applied by government troops on so-called NPA territory. In Northeastern Mindanao last week, military operations netted 28 rebels killed and three wounded. And in an assault on an NPA lair in Minalabac, Camarines Sur, last Tuesday, four dissidents, including a woman, were killed and two others wounded.

On the government side, the Mindanao casualty toll was four Army-PC [Philippine Constabulary] soldiers and two militia men killed, 22 wounded and a navy trooper missing in action.

"The rebels are on the defensive now because of intensive military operations in the area," said Brig Gen Madrino Munoz, Regional Unified Command Chief for Northern Mindanao. "That is why they are resorting to diversionary tactics."

The 28 rebels killed last week belonged to five NPA strongholds. Two brigades of soldiers using 105-mm Howitzers were hunting for the top communist leader of the regional party, George Madlus, along the Diwata mountain ranges stretching from Kitcharao, Agusan del Norte, to Bayugan, Agusan del Sur, when they mounted the operation.

Tuesday's encounter in Sitio Puting Gapo, Barangay Antipolo, Manalabac, Camarines Sur, took place when a joint PC police patrol dismantled an NPA lair which had been under surveillance.

Intelligence agents had reported that 11 terrorists were holed up in two huts. At 8 am Tuesday, Lt Edwin Diocos, Minalabac station commander, led his patrol in the jumpoff to position themselves within firing range of the target area.

The soldiers presence was unnoticed by the terrorists, six of whom were playing volleyball while the rest stood guard.

The patrol opened fire, dispersing the ball players while their guards returned the fire.

The difficult terrain prevented Diocos and his men from closing in, but their vantage position worked in their favor. Five NPAs escaped during the 30-minute firefight.

In the Northern Mindanao operation, the battles between rebels and soldiers took place in the following areas:

--Baranggay Atatahan, Lapinigan, San Francisco, Agusan del Sur.

--San Miguel, Tandag, and Kiang in Surigao del Sur and Sibagat, Agusan del Sur.

--Baranggay Bucawe Yanga, Surigao del Sur.

Barely a week ago Lt Diocos led a similar combat patrol which captured nine terrorists in Minalabac. Three of those captured were later identified as among the ambushers of Major Benjamin Canet of Bula, Camarines Sur, sometime in late March.

The major survived the assassination attempt and positively identified his attacker at PC provincial headquarters in Naga City where they are now detained.

Col Renato de Villa, Recom [Regional Command] 5 commander, commended Diocos and his men for their consistent "gallantry in action."

Meanwhile, with an ongoing tactical operation in the North Eastern Mindanao provinces, General Munoz said that military has mobilized the Naval Construction Battalion, the 542nd and 534th Engineering Battalion to intensify the civic action program.

Some of their projects are the construction of two schoolbuildings in Mainit, Surigao del Norte, improvement of barangay roads in Alegria, Agusan del Sur, construction of three classrooms in Concepcion, Misamis Occidental, and 11 barangay roads in several towns in Agusan del Norte and Agusan del Sur.

CSO: 4200/973

PHILIPPINES

ENCOUNTER IN DAVAO CITY LEAVES FIVE NPA MEMBERS DEAD

HK231622 Manila PHILIPPINES DAILY EXPRESS in English 23 May 85 pp 1, 6

[Article by Mike Crismundo]

[Text] Suspected NPAs armed with hand grenades killed yesterday a PC [Philippine Constabulary] trooper and wounded two as they held them at bay from a house in Davao City. Security forces were cordoning off a house in a bid to flush out three NPAs from their suspected hideout near the Davao Metrodiscom headquarters.

San Francisco, Agusan del Sur--five members of the New People's Army were killed and several rebels were believed seriously wounded in an encounter Tuesday night between government troopers and some 20 NPAs in Barangay Cainpogan, Rosario, Agusan del Sur.

Colonel Reynaldo De Dilan, commanding officer of the army's first infantry brigade, fourth infantry division, said that NPAs have influenced Barangay Cainpogan. The NPAs even maintain a cooperative store and a communal farm, and they also collect taxes during market days, Dilan said.

Dilan said elements of the Eighth Infantry Battalion engaged the rebels in a 10-minute gunbattle. Then the rebels withdrew towards the forested areas, dragging their wounded. They left behind their four slain companions, who were not identified.

Recovered were one M-16 Armalite rifle, one carbine, two hand grenades, one shotgun, two revolvers, and several anti-government documents.

CSO: 4200/973

PHILIPPINES

PAPER REPORTS 38 KILLED IN ARMY-NPA REBEL CLASHES

HK260439 Hong Kong AFP in English 0359 GMT 26 May 85

[Text] Manila, 26 May (AFP)--A total of 38 people were killed across the Philippines in clashes between government troops and communist New People's Army (NPA) guerrillas last week, the BULLETIN newspaper said here today. The fatalities included 21 NPA rebels, 11 soldiers, and six civilians, the daily said, quoting military authorities in seven provinces.

Military spokesmen here could not immediately confirm the report.

The daily said the biggest clash occurred Friday in Kalinga-Apayao Province, when some 200 NPA guerrillas led by renegade Roman Catholic priest Conrado Balweg attacked the mountain town of Kabugao, 360 kilometers (216 miles) north of here.

Eight soldiers and four guerrillas died as the NPA staged a dawn raid on the town. The NPA seized about 30 firearms and communications equipment from an army detachment and burned down the town hall. Two civilians were killed in the crossfire, it added.

Four rebels and a soldier were also killed in a neighboring mountain province the day before the attack as government troops captured a rebel training camp in a village near Sadanga town, BULLETIN said.

Nineteen other people, including 13 guerrillas, four civilians and two soldiers died in separate clashes in the provinces of Surigao del Norte, Davao Oriental, Camarines Sur, Agusan del Norte and South Cotabato, the daily said.

The NPA is the armed wing of the banned Communist Party of the Philippines (CPP). Military estimates put their current strength at 12,000 regulars, while the guerrillas say they have 15,000 regular and 15,000 part-time fighters.

CSO: 4200/977

PHILIPPINES

TOWN ATTACKED BY 'ABOUT 400' NPA GUERRILLAS

HK270609 Hong Kong AFP in English 0429 GMT 27 May 85

[Text] Bacolod, Philippines, 27 May (AFP)--At least 10 soldiers were killed and 14 others wounded as some 400 communist guerrillas attacked a central Philippines town yesterday, civilian and military authorities said here today.

An unknown number of rebels and civilians were also killed or wounded in the attack on the town of Isabela, which was repulsed by a 40-man army rangers team stationed near the town hall, said Negros Occidental Province Constabulary Chief Colonel Arnulfo Obillos.

Military helicopters flew rescue missions from this provincial capital last night to airlift military casualties, while troop reinforcements were flown aboard three helicopters to the town, 50 kilometers (30 miles) south of here, early today.

Colonel Obillos said about 400 New People's Army (NPA) guerrillas aboard three trucks attacked the town hall and an army detachment nearby early yesterday afternoon, killing at least 10 soldiers and wounding 14 others. The guerrillas lobbed grenades and fired automatic rifles at their targets, but withdrew with their casualties aboard the trucks after an hour, he added.

The attackers' rear guard also fired upon a Bacolod-bound passenger bus at the outskirts of the town, killing or wounding an unknown number of civilians, Colonel Obillos said. He described the attack as the biggest in Negros Island in recent months.

Isabela Mayor Jose Moises told reporters here that aside from the military casualties brought to Bacolod, "there were many more civilians killed in the crossfire."

The army detachment and the town hall are near the market place, which was filled with people during the attack, Colonel Obillos said.

He said the army detachment's commander, First Lieutenant Emmanuel Arroyo, was among those wounded, although other sources believed he was among those killed. Military authorities refused to identify the other casualties.

Regional military commander Brigadier-General Isidoro de Guzman flew to Isabela today from the regional headquarters in neighboring Panay Island to oversee military operations in the town, which has been the scene of ambushes staged by NPA guerrillas.

The rural-based NPA, which claims a nationwide force of 30,000 full-time and part-time guerrillas, has been staging bold attacks against provincial towns and cities in recent months. Official estimates put the NPA strength at 12,000.

CSO: 4200/977

PHILIPPINES

ARMY RAID FAILS TO CAPTURE MNLF'S SALI

Quezon City ANG PAHAYAGANG MALAYA in English 16 Apr 85 pp 1, 6

[Text]

"Army rangers raided of his men in Patikul, and surprised six members of the Moro National Liberation Front (MNLF) headed by Commander Hadji. Sali fled out of the country but was reported to have been back in Sulu.

The report said the raid was so swift that the rebels failed to fire a single shot, forcing them to surrender. (PNA)

Captured were Commander Uddin Hadji, Saibal Nurani, Ladji Ahai, Bacca Dali, Mangumu Mudbaani, and Adlayan Tairan.

A report said they were captured at the mountain hideout of Sali near Mount Sinumaan complex in Danag, Sulu.

Sali carries a price of P500,000 for his capture, dead or alive, for the massacre of Brig. Gen. Teodolfo Bautista and 34

CSO: 4200/964

PHILIPPINES

BACKGROUND ON ARMED FORCES REFORM MOVEMENT

HK210441 Quezon City VERITAS in English 12 May 85 p 14

[Article by Chit I. Macapagal]

[Text] In a brave move, young officers of the Philippines (AFP), belonging to classes '71 to '84 of the Philippine Military Academy (PMA) have dared to come out in the open to seek reforms within the military institution. The group is popularly called "We Belong." The official name though, is REFORM AFP Movement, the first word of which is an acronym spelling out the officers' demands: R-estore, E-thics, F-airmindedness, O-rder, R-ighteousness and M-orale.

In the past 4 months, they have issued three manifestos articulating their frustrations and grievances in the military, as well as a list of the changes they want to see.

The first of such statements was circulated among senior officers attending the PMA Alumni Association convention last February. The second was distributed in various camps and major services, and the third, during the PMA anniversary celebrations in Baguio last March.

It was during the same anniversary celebrations when, during the traditional alumni parade, the reformists marched in front of their commanding officers dressed in "We Belong" t-shirts; they then unfurled streamers emblazoned with their call for reforms.

Despite the threat of official sanctions, membership in the reform movement has extended to seven regions. Retired officers and senior PMA classes have swelled the ranks of the reformists with their show of support or their active participation in meetings.

Though the movement is loosely organized ("We want it this way," said a member) it has formed chapters which meet regularly, as often as once a week. An acting chairman and a scout are elected for specific meetings. There is always a formal agenda, usually touching on specific reforms that need to be implemented. Participants are encouraged to share personal experiences and to reveal knowledge of irregularities in the system which are the major causes of frustration among military men.

They have also formed ad hoc task committees to determine the composition and functions of six future functional committees: education, economics, complaints and grievances, resource management, special projects and finance.

The group has even met with both Defense Minister Juan Ponce-Enrile and AFP acting chief of staff, Lt Gen Fidel V. Ramos. Right now, a proposed audience with their commander in chief, President Marcos, is in the offing.

"Hindi na ito mapipigilan!" [There's no stopping this!] said a military colonel and an active member of the movement.

There is a strong feeling that something is wrong. The environment has become such that it is not conducive to the development of character anymore. You're trained to do things but the system does not permit you to (put them to practice). There is a clash of values and you suffer psychic pain, he continued.

Another colonel-member remarked: "Siguro may limit ang lahat. Para bang sobra na talaga ang nangyayari." [There's a limit to everything. What has happened is too much.] In the military, stories of disillusioned soldiers are ordinary stuff.

An officer assigned to one investigation unit of the military relates how he zealously conducted raids of gambling dens as ordered. He successfully apprehended not a few gambling lords during each raid but everytime he surrendered them to his commanding officer, not even an hour passed and those arrested were immediately released. Time and again this would happen until finally the idealistic colonel got fed up. In the succeeding raids he conducted, he thought it better to simply wipe out the offenders.

The reformists claim that helicopters assigned to evacuate wounded soldiers from the combat zones to hospitals are often not available because often they are being used by senior officers for personal errands. "It's so appalling. Our soldiers just lie there and die there," said a reformist.

Senior officers report that the reform movement is being branded as communist-inspired. "Members daw kami ng [we are accused of being members of the...] Mmtcigl Democratic Front!" said an incredulous reformist.

"They also call us Ramos boys or else claim that this movement is being used by a Ramos-Enrile clique," another said.

The reform movement is out to restore the "stuff of which true soldiers are made of," and members claim they are after no less than the re-institution of personal values and codes of honor that have long been part of military tradition.

CSO: 4200/974

PHILIPPINES

EDITORIAL ON DRAFTING YOUNG TRAINEES IN ANTI DISSIDENT CAMPAIGN

HK271409 Manila TIMES JOURNAL in English 25 May 85 p 4

[Editorial: "Armed Forces Needs No Cannon Fodder"]

[Text] President Marcos was correct in calling for serious study of a proposal to draft 20-year-old trainees into the anti-dissident campaign.

The proposal came from Isabela's governor, PC [Philippine Constabulary] provincial commander and representative to the Batasan. They claim that they have successfully tapped the trainees in the anti-dissident campaign in that region. This must have been the first time such a step was taken without authority from the highest official in the land who should by all means decide on such matters.

In any case, we have our doubts about using the trainees in the anti-dissident campaign. This drive needs specially trained troops which the trainees cannot in any way be. As it is, the regularly trained units and even the veterans of other campaigns, such as the one against the MNLF, are having difficulty going after NPA units in Northern Luzon and in Mindanao. In some instances, they have been finding themselves at the losing end of the battle, either because the NPA has a better intelligence system or because they happen to know the territory better than the soldiers.

You just don't throw young draftees against NPA units who appear to be better armed now and apparently more politicized as to make going into battle more than a purely military exercise.

There may be something to the thought that the trainees might do better than the Civilian Home Defense Forces [CHDF] whose reputation in battle is no better than their reputation in dealing with civilians, still we would rather see the CHDF placed under the control of good officers to make them more effective fighters. As residents of the place in which they serve they certainly would know more about it than the young strangers fresh from training camp.

Our armed forces are sufficiently large and properly equipped.

CSO: 4200/976

PHILIPPINES

**MANILA ARTICLES CRITICIZE CAGAYAN VALLEY MILITARIZATION**

**Quezon City ANG PAHAYAGANG MALAYA in English 19-21 Apr 85**

**[Articles by Joel Paredes]**

**[19 Apr 85 pp 1, 8]**

**[Text]**

SANTIAGO, Isabela re hinterlands" after  
— Fourteen-year-old Teresa Maglunsad (not her real name) could hardly forget the day government troopers came to the remote village of Desaplit in San Mariano in August last year.

Raiding lawmen allegedly strafed and burned the 7 huts located on the slopes of the Sierra Madre.

chancing upon New Peoples Army (NPA) guerrillas crossing the mountain border.

The rebels escaped, so the village folk, instead, became the target of the military. Most of the residents said they were herded to a sawmill factory some 15 kilometers away and detained for 14 days on suspicion of being rebel sympathizers before they were freed without any criminal charges.

"We were treated like animals," cried Teresa as she recalled how one of the lawmen tried to rape her but was stopped, by fellow troopers.

What remains now of Barrio Desaplit are charred huts. The village folk never returned for fear of another "military operation".

"Why are we to suffer

when we are the ones caught in the crossfire between the growing insurgency and intensified military campaigns?" asked a 63-year-old village elder who testified before the church-backed fact-finding mission that visited the barrio last week to look into human rights violation.

Cagayan Valley has become a hotbed of insurgency despite its being called the "Enrile country." Defense Minister Juan Ponce Enrile's hometown is in Cagayan, one of the 7 provinces covered by that Northeastern Luzon region.

Also comprising the region are Isabela, Kalinga-Apayao Nueva Vizcaya, Batanes Island, Quirino and Ifugao.

The fact-finding mission crossed the hinterlands of the region, bounded by the mountain ranges of the Cordillera, Caraballo and the Sierra Madre, to confirm the effects of alleged militarization there.

Human rights violations appeared to have gone unabated through the years, prompting at least 30 priests in the diocese of Isabela to write President Marcos last April 3.

Their demands: "Prosecute the perpetrators of all forms of abuses, and atrocities; bring to justice the victims of harassments and manhandling; discharge and punish according to law military men involved in "salvaging" (summary executions); and indemnify the victims' families.

"The current situation in Cagayan Valley has so deteriorated that it has made anyone, who does not speak up and defend the basic human rights of the people a de facto participant to the current violations of human rights," the priests said.

Citing a Task Force Detainees of the Philippines (TFDP) report, the priests said Cagayan Valley has the highest number of incidents of "salvagings," with 33 documented cases. Fourteen persons are still missing apparently for political reasons, since early 1984, according to the report.

There are also 80 political detainees, the "living evidence of political repression in the country," to prove that the region has the highest documented repressive measures in the island, said the report.

Faced with such predicament, the church said she "cannot be silenced nor cowed in her prophetic stance to defend life and human rights if she is to remain faithful to the gospel imperatives."

The growing concern of the church for the increasing insurgency and militarization in the area was triggered by a letter from a certain Pacita Reyes who wrote Ilagan Bishop Miguel Puruganan last Nov. 29 and narrated several cases of human rights violations in the Isabela towns of Ilagan and San Mariano.

Although the identity of the sender has yet to be confirmed, Bishop Puniganam said the church decided to act on the cases cited in the three-page letter by calling the President's attention.

The Cagayan Valley Human Rights Organization (CV-HRO) also laid down plans to look into these reports by forming for the fact-finding missions which visited the area last week.

The Protestant Lawyers League, (PLL) Ecumenical Movement for Justice and Peace (EMJP), Apostolic Center-Human Rights Desk, Taripnong, Photobank Philippines, TFDP, and the Luzon Secretariat for Social Action (LUSSA), participated in the mission.

[20 Apr 85 pp 1, 2]

[Text]

SANTIAGO, Isabela  
— "The deafening explosions seemed like an endless nightmare, said one of the two women barriofolk of Kagundangan in Luna town, Kalinga-Apayao as they recalled the bombing in-

cident in that remote mountain village last March 11. The two women trekked the mountain trail for three days to reach the fact-finding mission and confirm the air bombings which

forced helpless villagers to flee their homes after their crops were destroyed.

They claimed that three air force planes dropped 22 bombs while two helicopters assisted

in strafing the village on suspicion that it was an NPA lair.

But the two women claimed the site was an ordinary village of peasant farmers, and Izneg minorities.

The fact-finding mission later learned that the Luna bombing was the latest of a series of bombings in Cagayan Valley in 7 months.

It was gathered that air force planes bombed Pulang Lupa in Ilagan, Isabela for six days last August. The heaviest bombing reportedly occurred on Aug. 9 when more than 20 bombs were dropped by two air force jets. Although nobody was reported injured, the people reportedly stopped working in the forests for fear of another bombing.

In Pamplona, Cagayan, the fact-finding mission gathered that the military also bombed the thickly-wooded foothills to flush out NPA guerrillas who had eluded pursuing government troops

The Lost Command is a band of renegade soldiers who are regular members of paramilitary forces fighting the insurgents under Col. Carlos Lademora.

Police are investigating the motive of the killing.

— Media Mindanao News Service.

after an encounter.

Based on the documented cases of bombings, the mission expressed fears that unless the military stops these rash of assaults, "Cagayan Valley might turn into another Mindanao."

A ranking military officer of the Regional Unified Command 2 justified, however, the bombings, citing mere "tactical operations" against the "growing NPA menace."

The military officer, however, said they only bomb areas with heavy concentration of rebels which are usually far from the villages.

In dialogues with the fact-finding missions, the lawmen denied reports of human rights violations despite documented testimony of alleged victims.

A case in point is Sitio Andarayan in San Mariano where the more than 36 families expressed fears of another military operation in the area after their "harrowing" experience when lawmen raided their village in April last year.

An elder villager recalled that the military operations was similar to the Second

World War, except that "our oppressors are no longer the Japanese, but fellow Filipinos."

The villagers had reason to fear the military.

In a mass meeting with the fact-finding mission, many villagers recalled their ordeal.

At least three women claimed they were stripped naked and interrogated by the lawmen who forced them to confess they were NPA sympathizers.

Young men said they were beaten and hogtied for several hours.

The villagers said the soldiers were pursuing rebels. Frustrated over the failure to catch the dissidents, the military brought the villagers to a nearby sawmill where they were detained for several days, they said.

Before the lawmen left the village, they looted their money and livestock, residents said.

Servando Buraga, a 36-year-old farmer, was not as lucky as his neighbors in the nearby barrio of Dilumi. Lawmen, led by a certain Capt. Tuscano, came to the village last Feb. 26 and abducted Buraga.

Buraga's corpse was recovered five days later, abandoned in a grassy field. He was beheaded.

Last September, Benito Pascual, a barangay captain in San Mariano, was re-

portedly killed by scount rangers. The fact-finding mission gathered that drunken soldier had forced Pascual to drink liquor.

Pascual's corpse was later found dumped along the riverbanks. He had multiple stab wounds.

After documenting alleged human rights violations in Isabela, the fact-finding mission expressed doubts if the military operations were only after the dissidents.

It was gathered that the villages raided by the lawmen were situated near logging areas where there are mounting protests against forest denudation.

In San Mariano, for instance, mission found that logging trucks crossing a checkpoint had to pay "tong" (protection money) ranging from P150 to P600 per haul.

The mission expressed alarm that human rights violations remain unabated at the expense of big logging concessionaires who are being protected by some military men.

In Isabela alone, the church learned that there are 14 timber concessions which occupy 445,829 hectares of the 669,000 hectares of forested area.

At least 29 sawmills reportedly mushroomed in the past 20 years. Logging has become the major interests of big businessmen.

A 50-year-old farmer expressed fears that the whole province will be denuded in another 20 years.

"They (the military) have to stop us from protesting. So they use force against us. But what will happen to the future of our land?" he asked.

[21 Apr 85 pp 1, 2]

[Text] Santiago, Isabela--Basilio Pablo, barrio captain of Kittag in Pamplona, Cagayan led more than 63 helpless families in fleeing their village and farms early last year to escape alleged military "witchhunt operations."

This writer joined the church-backed fact-finding mission which traced the beleaguered barrio-folk who have set up a small camp in the boundary of Kalinga-Apayao and Sanchez Mira since June.

Northing has been heard of Kittag since the soft-spoken barrio captain condemned the alleged military atrocities in the area until another fact-finding mission arrived in Cagayan Valley last week.

Marina Battad, 36, and Norma Ricardo, 35, said peace and order was temporarily restored in their village since the first mission left.

The two women sobbed as they narrated how soldiers killed Pablo and Revind barred and loot their homes.

Marina said her husband had also been killed by lawmen.

Most of the victims were suspected of being NPA sympathizers, Marina and Norma said.

"These military atrocities are too much!" exclaimed Fr. Domingo "Ging" Gumpal, a 31-year-old La Sallite priest who heads the Cagayan Valley Human Rights Organization (CVHRO).

Gumpal said the abuses have gone unabated, he said, fear grips the barrio-folk each time there is a

military abuses in the region.

Gumpal, saying that Cagayan Valley has become a hotbed of insurgency, traced the growing problem to the increasing military abuses in the region.

In my region, the gun is power," said Gumpal who explained that he will fight, the abuses not with arms, but his promoting the church doctrines.

Gumpal, together with representatives of church institutions, formed the CVHRO last year to promote the people's human rights. "The church should be more active in articulating the feelings of the

people," he said.

With the creation of a human rights organization, Gumpal said he is confident that the people will have a voice which, he said, has long been silenced by the lawmen.

Gumpal said the CVHRO is ready to answer back the military's allegation that "anything associated with human rights, is fighting the government."

"If you believe in God, then you can't help but start working and do something about the situation," he said.

Gumpal said he and fellow church people will raise their findings to President Marcos and top government and military officials as he explained that his human rights group opts for dialogues, instead of confrontation.

But will the dialogs be successful?

The military has denied abuses attributed to it and blamed the atrocities to the NPA.

In several interviews, the military accused the NPA of using its name in conducting raids to mislead the people.

A top military officer of the Regional Unified Command described the complaints reaching the fact-finding mission as "black propaganda" by the rebels.

The fact-finding mission, winding up its job, said it has gathered enough data which, it said, will be presented to the government for action.

CSO: 4200/968

12 June 1985

## PHILIPPINES

## COLUMNIST ON REGIME'S 'EROSION OF MORALITY'

HK170422 Manila BUSINESS DAY in English 17 May 85 p 4

["Here and Now" column by Francisco S. Tatad: "A Nation of Forgers"]

[Text] A few days ago, I revealed in this column the existence of an authority, issued to a private party under the president's signature, to export 400,000 pieces of live prawn spawners--a scarce natural resource whose export outside the country is banned by the government.

Every single piece of this protected resource costs \$600 to \$1,000, the reason being that a gravid mother prawn lays about 500,000 eggs at a time--enough to populate a pond.

Official informants say that in previous instances, Malacanang had authorized certain export shipments of this item under special circumstances, but only up to about 200 pieces per shipment. Against that background, the authority to export 400,000 pieces, worth \$240 million to \$400 million, even assuming the hatcheries can support it, is an unmitigated scandal.

What makes it even more scandalous is the fact that the letter-request, which carries the president's approval, does not even have a printed letterhead on it, as is common to established firms, but has only a typed-on head saying, Jolivar Trading and Services, 16 D.t D. Cruz St, Subdivision, Quezon City. The signatory is a certain Dr Ely Padilla, not any of the cronies one hears about.

Across the upper righthand corner is the president's signature. It is not as firm as his usual signature (an unsteady hand?), but accompanying it is an authenticating letter of transmittal to the minister of natural resources and the director of fisheries from Minister Juan C. Tuvera, the presidential executive assistant.

None of the militants in the Batasan or in the concerned citizens sector found the issue worth pursuing--it is, after all, only a lot of prawns. In fact, Mr Marcos was quicker than anyone in the opposition to react to the revelation. Within days, he restated the ban on the exportation of the mother prawn, making specific reference to the Jolivar authorization. That, I thought, was commendable.

But what struck me in the president's action was the lack of a visible outrage, or effort to go after those responsible. There is no report, for instance, that Minister Tuvera has been asked whether his letter was a forgery as well (it seems to me completely genuine), nor is there any report that Dr Padilla, whoever he is, has been taken for questioning. Mere suspicion of a lesser offense would have, in the case of others, quickly produced the dreaded presidential detention action (PDA). Why not here?

If the president's signature has been forged, as claimed, there should be an immediate and thorough investigation. But there is no sign of it, none of the usual avowals that the powers of the presidency shall be used to go after the forgers. Has the president's signature become so devalued that it may now be forged by anyone, and the crime is immediately forgotten and forgiven without anyone being arrested or prosecuted, without a minimum of investigation? Or is the claim of forgery merely a convenient way out of an embarrassing situation?

Some years ago, a talented but rather crooked official was said to employ someone whose job, among others, was to forge his signature on questionable documents granting certain privileges to applicants. The signature was obviously for sale. But since the documents were subject to review by a higher office, the official disowned his signature whenever it was questioned by the reviewing officer. Thus, he got a lot of grease money doing nothing, and not even the NBI [National Bureau of Investigation] handwriting expert could pin anything on him. He has not completely lost power.

One cannot say this of the president. He doesn't employ forgers. But the way the presidency has conducted itself with respect to safeguarding the integrity of official documents has bred all sorts of crimes, forgery being perhaps the least of them. The way it has dealt with Central Bank records, with presidential decrees and such things--this has produced certain motivations and skills which one could not have easily produced simply by opening a school for forgers.

Where in the world do you find a government that promotes to the position of education minister a Central Bank governor who had been caught cooking the books to the tune of \$600 million? Where in the world do you find a government which casually antedates presidential decrees to secure advantages for itself and for the privileged group it serves against the general well-being of the people? Where in the world do you find official signatures of non-signatories appearing in published manifestos proclaiming the faith of the officers crops in the innocence of an accused commander? Where do you find Batasan members claiming their signatures had been forged in a petition concerning something like Philsucom [Philippine Sugar Commission]?

History is littered with cases of great forgeries, the latest being perhaps the one of the Hitler diaries. But very seldom has it happened that it became as common as the common air. Thanks to the erosion of morality under this regime, this is what seems to be happening. The regime has bred insurgency, bankruptcy, unemployment, hunger, injustice, and common depravity. It has produced the crony, the child prostitute, and now the forger. How come?

There is no simple explanation. But one obvious explanation is because the regime has lost its moral anchor and has become uncaring about the public sensitivity to its sins. It no longer gives a damn. Everytime the president antedates a decree, rewards an erring official, falsifies the truth or commits a dishonest act in the full view of his valet, he produces an army of imitators determined to improve upon the original. The nation is always led up the trail or down the ravine by its leadership; crime begets crime.

CSO: 4200/973

PHILIPPINES

BATASAN TO HEAR PROBLEMS IN ARMED FORCES

HK231632 Manila PHILIPPINES DAILY EXPRESS in English 23 May 85 pp 1, 6

[Text] The Batasan yesterday, on first reading, referred to its committee on national defense and security for proper action Resolution No 477, seeking an inquiry into alleged specific cases of irregularities exposed by the so-called reformist group in the AFP [Armed Forces of the Philippines].

The resolution, authored by MP Oscar Santos (Opposition, Quezon), cited various press reports on these irregularities which, if true, he said, would seriously affect the morale of soldiers and junior officers of the AFP.

Santos said that "there is need to improve the morale among the AFP ranks... and to effect reforms and instill honest-to-goodness professionalism and discipline among military personnel" through remedial legislation.

The author said the published irregularities include sale of positions or assignments, illegal collections, operation of gambling dens, and use of helicopters by high-ranking officers to the prejudice of wounded soldiers in need of immediate medical attention.

The Batasan also endorsed for study and recommendation:

--Resolution No 476, authored by MP Roy Padilla (Opposition, Camarines Norte), asking President Marcos to seriously consider the resolution of the U.S. Senate urging political reforms in the Philippines as "genuine and sincere in manifestation of deep concern from a friendly nation," to the committee on foreign affairs.

--Resolution No 478, also introduced by Santos, seeking legislative inquiry into reports that many high school teachers are so inept they have "an intellectual level equivalent to that of a regular Grade IV pupil" to the committee on education, culture and sports development.

--Resolution No 480, with MP Luis Villafuerte (Opposition, Camarines Sur) as principal author, urging the formation of a bipartisan committee to inquire, in aid of legislation, the revival of the so-called secret marshals to the committees on rules and national defense.

Meanwhile, the committee on justice headed by MP and Deputy Justice Minister Manuel Garcia agreed to meet Monday to determine its course of action on two related resolutions, one objecting to an inquiry into the citizenship of Supreme Court Justice Claudio Teehankee and the other evaluation of the speech of MP Arturo Pacificador commenting for attacking editorial comments on his integrity or character for questioning Teehankee's citizenship.

CSO: 4200/973

PHILIPPINES

IMF SEEKS TO DIVIDE REVENUE REGIONS

HK221541 Manila BULLETIN TODAY in English 22 May 85 pp 1, 13

[Text] The International Monetary Fund (IMF) is seeking the immediate breakup of the huge offices of the Quezon City and Manila revenue regions which account for about 70 percent of the annual nationwide collection of the Bureau of Internal Revenue (BIR).

BIR sources said the break-up is among the major components of the operational reshuffle being sought for the BIR in order to improve tax collection and enforcement efficiency.

The Quezon City revenue office headed by lawyer Jose Salindong covers the whole of Metro Manila (except Manila proper) and Cavite.

The Manila regional office is headed by lawyer Jesus Parado.

In separate meetings with BIR officials, an IMF panel had reportedly suggested the breakup of the two regions "to equalize the burden of work" among all the regional directors.

The IMF group also sought the abolition of all special audit units at the national office and the transfer of their functions to revenue district offices.

If these special units are dismantled, reliable BIR sources said, the heads of these divisions will very likely be appointed to head the new regions which will result from breakup of the two big Metro Manila regions.

As suggested, the Quezon City region should be broken down into five or six regions, and the Manila region into about four regions.

The town of Makati alone, which is divided into two revenue districts both under the Quezon City regional office, could be a separate region. Another region could be set up east of Metro Manila based in Pasig to cover nearby towns of Rizal.

Quezon City proper may become a separate region and Caloocan may cover Valenzuela, Malabon, and Navotas. Manila may be split into four regions--Tondo, Binondo-Sta Cruz, Quiapo-Sta Mesa, and Malate-Ermita.

CSO: 4200/973

PHILIPPINES

### IMF RELAXES AUSTERITY PROGRAM

HK241431 Manila BUSINESS DAY in English 24 May 85 p 3

[Article by reporter Rigoberto D. Tiglao]

[Text] The revised monetary program the Philippine Government has recently agreed with the International Monetary Fund (IMF) management to implement for the rest of the year appears to be more lax than had been earlier expected, with the limits on credit growth in the coming months indicating a major softening of the austerity program imposed on the country.

Although the program is still subject to final approval by the IMF executive board, it will allow the Central Bank [CB] to expand reserve money--the new money the CB creates that determines total funds' availability in the country--to P[peso]38.4 billion within the year, a 15 percent growth from the P33.4-billion level as of end-1984.

This represents an upward revision by three percentage points of the ceiling of 11 percent on reserve money growth the IMF and the government had agreed upon when the Fund approved the standby credit facility for the country.

While a 15 percent growth in reserve money is smaller compared to the 20.6 percent reserve money expansion posted in 1984, the 15 percent rate represents roughly the monetary target set for 1983, before the country's economic crisis erupted. More importantly, the base used for the 15 percent reserve money growth, the P33.4 billion recorded for 1984, actually represents a substantial excess over the P32-billion taxing the IMF had imposed for the end of that period.

Government sources pointed out that the targets set for the "test months" for the rest of the year also reflect the loosening of monetary policy. According to the revised program, the ceiling on the reserve money level for the end of this month was set at P34.4 billion despite the fact that the CB exceeded the end-March limit of P32 billion that had earlier been set.

The latest available CB data, for the 29 April-3 May week, show a reserve money level of only P31.4 billion, which indicate that the CB will almost certainly comply with the end-May reserve money performance criterion.

The government in the past two test dates--end-December 1984 and end-March-- failed to comply with the reserve money ceilings set by the IMF, and the higher ceiling set for end-March reflects the IMF's loosening of its performance criteria, the government sources said.

The end-May performance criteria the government must comply with had been considered critical since the IMF's release of its second and third tranches depend on the country's strict compliance with these. Furthermore, the release of the first \$400-million tranche of the \$925-million new commercial bank loan to the country and the implementation of the \$3-billion revolving trade facility require the IMF's release of its scheduled credit tranches.

According to the new program, the ceiling on the reserve money level for end-July is P35.2 billion and for end-September, P35.8 billion. The end-December ceiling of P38.4 billion in a 3-month period, takes into account the usual increase in cash requirements toward the Christmas season.

BUSINESS DAY sources noted that another major indication of the softening of the austerity program is the jacking of earlier plans to impose new taxes, particularly in the form of higher corporate and sales taxes. However, the 1 percent foreign exchange transaction tax, earlier programmed for repeal 2 months ago, will be maintained until the end of the year.

The relaxing of the reserve money ceilings for the rest of the year is consistent with government pronouncements that interest rates will be driven down from the current 30 percent-35 percent level to 20 percent-22 percent. The much higher reserve money ceilings, sources noted, are intended to force down interest rates, since it was observed in the last several months that bank lending rates are not responding as fully as expected to the decline in inflation rates.

CSO: 4200/976

PHILIPPINES

CENTRAL BANK SLOWS CB, TREASURY BILL SALES

HK240818 Manila BUSINESS DAY in English 23 May 85 p 2

[Article by Rigoberto D. Tiglao]

[Text] The Central Bank [CB] has slowed down its sales of CB and Treasury bills--its major tools in the past several months to siphon off funds from the system--following a policy shift toward relying more on so-called blocked peso deposits at the CB to meet its looser monetary targets for the year.

The CB has stopped altogether the issuances of the T-bills--IOUs incurred by the national government--with maturities of less than 90 days.

CB sources said this move was not only in line with the policy of slowing down its open market operations but was also prompted by the Finance Ministry's assessment that the rates to be paid on these IOUs, while already going down, are now expensive on the part of the government.

The national Treasury's financial improved beyond expectations with its receipt of the proceeds of the final withholding tax applied on the public's income from the CB and T-bills.

On the other hand, CB sources said new sales of CB bills are being kept at a level only slightly higher than the amount necessary to replace those which are maturing. CB officials noted that banks have been moving fast in the past weeks to capture the funds redeemed by investors from maturing CB and T-bills and have started to jackup rates they are offering for their certificates of time deposits (CTDs). For example, Philippine National Bank (PNB) has reportedly raised its CTD rates in the past week from 32 to 34 percent.

With the slowdown in the CB's open market operations, it would now be relying more on blocked peso deposits to meet its liquidity targets. The International Monetary Fund (IMF), CB sources had earlier disclosed, had agreed in its recent program review to slightly relax the ceilings on the expansion of money supply, partly due to the IMF's government's assessment that the original ceiling is too tight to allow growth not only in the gross national product (GNP) but in the country's export performance as well.

The blocked pesos consist mainly of the peso equivalent of the debt servicing of local creditors' foreign obligations as well as the differential for forward exchange covers the CB had extended last year. They also include the peso proceeds of the CB's sales of dollar-denominated CB certificates of indebtedness (CBCIs) which the CB has used as IOUs to assure that service remittances, for such payments as royalties and dividends, will be made within the year. CB sources said the CB will soon issue stricter regulations that will assure that local creditors, especially government creditors, deposit the full amount of the peso equivalent of their foreign obligations with the CB.

An acceleration of the scheme for blocked peso deposits will be implemented soon as part of the mechanics for the establishment of the \$3-billion revolving trade facility recently signed.

This is because under the terms of the facility, private sector entities with trade-related short-term obligations to foreign banks will be required to deliver to the CB the peso equivalent of their obligations. Since the moratorium started in 1983, these trade-related credits were merely being rolled over with the local debtors not being required to deposit the peso equivalent as was the requirement for debtors with medium and long-term obligations. One estimate given for such private sector trade-related obligations is \$1 billion, which means that if they deposit the peso equivalent of these obligations, the CB would be able to siphon off roughly P[pesos]18.5 billion from the system. The CB, however, is expected to counteract the severe tightening of funds resulting from such a requirement by further slowing down its issuances of CB and T-bills. Because of the massive amounts of CB and T-bills already issued, further slowdowns in the sales of these IOUs would automatically mean more funds being released to the system.

CSO: 4200/976

12 June 1985

PHILIPPINES

VIRATA ON CONFIDENCE OF INTERNATIONAL BANKING COMMUNITY

HK250053 Manila Far East Broadcasting Company in English 2300 GMT 24 May 85

[Text] Prime Minister Cesar Virata says the international banking community has renewed its trust and confidence in the economic vitality of the Philippines in the signing of the financial package for the country. Mr Virata declared this in a meeting of the cabinet immediately after his return from New York, where he witnessed the signing of the \$3.9 billion financial package for the Philippines. He said the agreement would generate more healthy and active business, and bring down the country's trade deficit, and will best attest to the strength of the economic recovery program of the government.

[Begin Virata recording] We have been encouraging a number of items, one of which is in the agricultural products exports, especially food, in the case of food, we have the sea food; in the case of other products we have a range of fruits which we would like to export to Japan. We have a number of industrial products, we like to continue to be strong in [words indistinct], we would like our textile industry to supply basically the raw materials, because that is easily a market of about \$200 million. We have a number of components and various mechanical products that are being manufactured by various industries. We are interested for example now in converting sugar production into alcohol, now that the sugar prices are very low. [End recording]

CSO: 4200/976

PHILIPPINES

MARCOS ON POLITICS, BANKING

HK241537 Manila BULLETIN TODAY in English 24 May 85 pp 1, 15

[Article by Willie Ng]

[Text] President Marcos, deplored certain "ambitious politicians' tactics" of attacking the first lady, Mrs Imelda R. Marcos, and accusing her of wanting to run for the presidency, said yesterday that "she is not the one running; I am the one who will."

He told 200 government college presidents and senior professors that with the country facing insurgency problems and an economic crisis, it was best to forget politics for a while. "We must first save the republic before we talk of elections," he said. "After that, we can hold an election to determine who will be the next president."

Earlier, speaking at the 32nd annual convention of the Rural Bankers Association of the Philippines (RBAP) at Malacanang's Ceremonial Hall, Mr Marcos launched a seven-point package to revitalize the rural banking system. In this package, the president:

1. Ordered monetary authorities to conduct a thorough review of the overall agricultural credit policy.
2. Ordered monetary authorities to coordinate with the Ministry of Agriculture and Food, Ministry of Trade and Industry, and the Philippine International Trading Corp (PITC) in the preparation of a more realistic budget for an integrated agriculture credit to ensure attainable production, marketing, financial and management targets.
3. Directed the adoption of a system that would re-structure all types of legitimate arrearages caused by force measure under the special financing programs of the government.
4. Ordered the newly organized Philippine Sugar Marketing Corp (Philsuma) to immediately pay the rural banks the value of unliquidated sugar quedans pledged and assigned to the rural banks by the small sugar farmers.

5. Ordered the Ministry of Finance to study the possibility of providing a suitable tax incentive to rural banks consistent with the expected increase in the minimum capital requirement of rural banks.
6. Directed the Central Bank (CB) to hasten implementation of the Cottage Industry Guarantee and Loan Fund (CIGLF) lending program by allowing more qualified rural banks to participate in the scheme.
7. Ordered the Central Bank Administration Institute to design a training program for rural bankers and to professionalize rural banking management.

He called for the rationalization of food production for export, saying this should be given top priority.

He said there should be a realistic credit budget to allow the maximizing of benefits from export opportunities" and to avoid the seasonal glut in onions, tomatoes, sugar and tobacco.

He said that to help the bankers repay their loans, the CB should study the feasibility of "adopting a 10-year restructuring scheme" to include a 5-year moratorium on the payment of loan principal.

Speaking before the teachers, he said all parties should stop "the quibbling and quarreling" over causes of the economic crisis: "Let us stop blaming each other." He said that "a feeling of community is necessary in order that our nation may survive."

The people can exercise the electoral processes with the idea of serving the greater number, he said, and protecting their patrimony, while making sure that no foreign, godless ideology is allowed to take power through violent means.

He praised the 2,000,000 Filipino workers overseas who remit great portions of their dollar earnings which helped the government meet its foreign exchange requirements.

On the opposition demand to legalize the communist party, he recalled that the communists were granted amnesty by Presidents Osmena, Roxas, Quirino and Magsaysay. These amnesties failed because the communists continued to fight the government, he said.

Mr Marcos, acknowledging the problems of government schools, asked the delegates to determine the relevance of schools to present problems, citing the fact that the government subsidizes 95 percent of their yearly budgets.

The president asked for self-reliance, productivity and innovative ideas, reiterating government's respect for academic freedom "because debate is still the means to arrive at the truth."

He cited the causes for the economic crisis: The series of typhoons, and the refusal of foreign creditors banks to grant credit after the failure of Mexico, Brazil, Argentina and other countries to pay their debts.

To the bankers, the president said that the recent removal of their tax exemptions "is a great stumbling block and a disincentive to the necessary expansion of the capital base of many rural banks."

He said that the immediate imposition of tax on gross revenue of rural banks "often spells the difference between survival and failure of a small rural bank."

The president also stressed that the overall drive towards national economic recovery is linked to the countryside adding the financing of agri-based rural industries is aimed at generating more employment and income in the rural areas.

He said that allowing more qualified banks to participate in the financing program for cottage industries would boost foreign exchange and generate more job opportunities.

In calling for a training program for rural bankers, the president said "the road that lies ahead would test managerial skills that will separate the weak from the strong" adding that rural bankers "have proved themselves dependable and steadfast partners of government in the pursuit of countryside development."

The chief executive emphasized that the country's "national priority of the highest order is to increase agricultural productivity through the partnership of the farmers and the rural bankers."

He expressed optimism that this goal could be achieved because the rural banking system, in partnership with the government, has been a major stimulus for the development and growth in the countryside.

CSO: 4200/976

PHILIPPINES

JUNE RICE STOCK OF 1 MILLION METRIC TONS EXPECTED

HK280433 Manila BUSINESS DAY in English 27 May 85 p 14

[Article by Carol E. Espiritu]

[Text] The country is expected to have about a million metric tons (MT) of rice by the end of June, 458,000 MT during the period, according to Bureau of Agriculture Economics officer-in-charge Memerto Damaso.

He said the Intensified Rice Production Program (IRPP) accounted for about 84 percent of the April-May harvest or 210,000 MT of a national production of 250,000 MT.

Of the overall stocks by the end of June, the National Food Authority is expected to account for about 150,000 MT. NFA administrator Jesus Tanchanco said the NFA is expected to improve its buffer stock levels after the government determines the exact volume needed for imports.

The first of the country's rice imports for the year is due to arrive this month, involving 130,000 metric tons of Thai rice, contracted through a fertilizer for rice barter agreement.

Tanchanco said the NFA might fill in requirements for 75 days in buffer stocks, instead of the usual 90-day storage stocks.

This month, another P[pesos]50 million is due for release for the IRPP program to bring to P570 million the total fund for release during the main planting season beginning June.

Agriculture and Food Minister Salvador Escudero III said that by June, the \$85-million balance of the \$100-million World Bank farm credit loan is also expected to generate additional participation in rice production.

However, he said the loan would carry floating interest rates instead of the 15 percent interest rate under the IRPP program.

Meanwhile, International Rice Research Institute (IRRI) scientists have come up with a new rice variety that is believed to surpass the qualities of IR-36, the world's most widely used variety.

The new variety has passed the tests of the Philippine Seed Board and is expected to be formally given the go-signal for adoption in national rice programs by the end of the month, making the Philippines the first country in the world to adopt it.

Code-named 18348-36-3-3, which indicates the number of subsequent crosses before the variety's development, it is expected to be renamed IR-64 by the Philippine Government.

The latest variety is already planted to about 50 percent of Mindanao's ricefields by farmers who have reportedly managed to sneak out seeds from testing centers. Its outstanding features include a potential of yielding 140 cavans or 7 tons per hectare, 20 percent more than IR-36 or other common IRRI varieties.

Because of its better resistance to pests and diseases, including tungro in which IR-36 and IR-42 varieties of Indonesia and the Philippines have begun to become susceptible because of the evolution of stronger insects, it is expected to replace these old varieties.

Its superior grain and cooking quality, believed to be comparable to local fancy types like Wagwag, C-4 and Azucena, could also make the new variety the world's most popular rice that could generate significant dollar earnings for the country in terms of seed exports.

Because it is at least 20 percent higher yielding than IR-36, which is planted to 11 million hectares throughout the world, 65 percent of ricelands in the Philippines and 60 percent in southern Vietnam and Indonesia, the better income that could be derived from the new variety would inevitably make it the most popular rice in the world in the next few years.

It would take a year for the Bureau of Plant Industry to reproduce enough amount of seeds for a national program.

CSO: 4200/976

PHILIPPINES

DECLINE IN NEW INVESTMENTS REPORTED

HK210143 Manila TIMES JOURNAL in English 18 May 85 p 6

[Text] Total investments in new and existing companies last month reached P[Pesos]357.5 million, down by 46.5 percent over P667.9 million in March. The Securities and Exchange Commission [SEC] attributed the big contraction in new capital infusion last month to the absence of heavily capitalized firms.

The total new equity of P667.9 million in March, which was 11.5 percent up over February's P599 million, was brought about by the establishment of three companies registered by the Escaler group amounting to P255 million. The firms were Challenge Corporation of the Philippines, PCD Philippines, Inc and ECI Challenge, Inc., all based in Manila.

Records gathered at the SEC showed that cumulative total investments for the first 4 months of this year reached P2.2 billion. The records also showed that capital expansion from January to April amounted to P1.4 billion, which is two times of the total of the same period last year.

The commission also approved the registration of 586 new entities. Of these, 300 were domestic stock corporations, 84 partnerships, 200 domestic non-stock corporations, one foreign stock company and one foreign non-stock corporation.

No regional headquarter of multinational companies were registered in the month under review.

Last month's new registration was down by 13.3 percent or by 90 companies from the total of 676 in March.

For the first 4 months of this year, a total of 170,291 entities were registered with the commission, of which 129,734 were corporations and 40,557 partnerships.

The SEC reported that the increase in the paid-up capital of 51 new and existing corporations reached P290 million in April, down by 5.5 percent from March.

The SEC also revealed that 12 corporations and three partnerships or a total of 15 entities went bankrupt last month.

The commission, meantime, reported that 384 new stock firms were established in April, a decrease of 114 firms, or 22.9 percent from the March total of 498.

Initial paid-up capital of these firms amounted to P67.5 million, again a 5.3 percent drop from the previous month's level of P361 million.

Cumulative paid-up capital for the first 4 months of this year reached P855.6 million, a wide gap from that of the last year's 4-month period by two-folds.

In number of new domestic stock firms, this year's registration of 1,738 corporations was also higher by 18.6 percent from the same period in 1984.

CSO: 4200/973

PHILIPPINES

FOREIGN CAPITAL INVESTMENTS INCREASE

HK210145 Manila TIMES JOURNAL in English 19 May 85 p 8

[Text] Foreign capital investments in April totalled P[Pesos]170.2 million, up by 69 percent from the previous month. From a year-ago level, the April foreign investment figures reflected a 4.2 percent increase. A total of P166.9 million of the foreign capital investments in April went into seven domestic stock corporations. The rest went into the 47 newly registered companies.

The Securities and Exchange Commission (SEC) said some P80 million of these new foreign investments came from Honda Motor Co Ltd of Japan which infused new capital into Honda Philippines, Inc.

Forty-seven new domestic firms with foreign equity were registered in April.

The aggregate foreign investments in newly registered domestic stock entities in April amounted to P3.3 million, reflecting a drop of 34 percent from last month's level of P5 million.

From year-ago, the total foreign investments in newly registered domestic stock corporations reflected an increase of 83.3 percent.

The Chinese led the foreign investors in newly registered domestic stock corporations with P1.1 million investments or about 33 percent of the total foreign equity infused in these local firms.

The two foreign corporations licensed to operate in the Philippines in April brought the total registered firms to 1,019.

The SEC also reported that it revoked the licenses of 108 companies, cutting down the number of foreign firms with valid business permits to only 911.

The manufacturing sector absorbed the bulk of the foreign equity investments that flowed into the country in April with a whopping share of 96.3 percent.

CSO: 4200/973

PHILIPPINES

FOOD MINISTER BUCKS FISHING PROGRAM PRESSURE

Manila PHILIPPINES DAILY EXPRESS in English 20 Apr 85 p 7

[Article by Rose de la Cruz: "Escudero Bucks Pressure on Proposed Dismantling of 'Biyayang Dagat' Plan"]

[Text] Agriculture and Food Minister Salvador Escudero III said he will not yield to pressure to dismantle the "Biyayang Dagat" program because it is the only program geared towards the small fishermen.

Escudero stressed this point in his speech recently before delegates of this year's Aquaculturist Conventions. He also announced some changes in the Biyayang Dagat leading program.

These changes are:

--Using alternative credit "conduits" such as suppliers of inputs like motor engines, boats, fishing nets and gears with whom fishermen are in closer contact.

--Inclusion of fishponds in the program. Before, the program only catered to municipal fishermen, who were each supplied with boats, nets and gears which they have to repay over a certain period of time.

--Expansion of fish processing facilities to be financed by the program.

--Formulation of additional criteria for the selection of legitimate and highly qualified group borrowers, which studies indicate are less risky investment areas.

--Improving the program monitoring system.

Escudero said several influential persons and entities have been "pressuring" him to dismantle the program altogether and adopt other more relevant programs.

A total of P63 million Biyayang Dagat funds are lying idle in the Central Bank because these could not be rechannelled to rural banks because they could not set rediscounting privileges with CB.

There were plans to pool Biyayang Dagat funds and other unused agricultural funds under a comprehensive agricultural loan fund (CALF).

But, with Escudero's recent announcement, the Biyayan Dagat program would, after all, be revived under different conditions, agriculture ministry sources said.

Studies indicated the program had a poor repayment rate of 42 percent or a collection of only P26.3 million out of over P100 million lent out since 1979.

The poor repayment was attributed to the fishermen's misconception that the loans were more of "doleouts" and, therefore, need not be repaid.

As of June last year, a total of P104 million in loans had been granted to 8,450 fishermen through 185 rural banks. The program originally had an outlay of P850 million (which was later pared to P244 million).

CSO: 4200/968

PHILIPPINES

PROREGIME COLUMNIST HITS CHDF ABUSES

Manila BULLETIN TODAY in English 19 Apr 85 p 6

[Commentary by Jesus Bigornia: "Priest's Murder Draws Attention to CHDF Abuses"]

[Text]

**A**t the bottom of the senseless murder of an Italian priest in Tulan, Cotabato, last April 11 lies the suspicious alliance between military units in rebel-infested areas and mad-dog killers wearing Civilian Home Defense Force (CHDF) uniforms. The almost automatic military attribution of the killing of Father Tullio Favali to the New People's Army (NPA) in total disregard of the testimony of eyewitnesses betrays the strong ties between the regular forces and the para-military group. Moreover, the fact that the leader of the killer band has been roving the Cotabato countryside unmolested

by authorities despite issuance of warrants of arrest belies the military's attempt at hand-washing in the Cotabato incident.

\* \* \*

Instances of mass atrocities perpetrated by CHDF personnel have been a common commodity. The newspapers are so full of reports on murders similar to the fate of Fr. Favali. In Cotabato alone, there have been reports of attacks on innocent civilians by drunken CHDF "persons." The CHDF has acquired a monstrous image. The Armed Forces must dissociate themselves from these mutants of society. To the early arrest, if not liquidation, of the so-called "Kumander" Bucay Manero should go a long way to persuading the citizenry that the military is in no way associated with crazed killers.

CSO: 4200/968

PHILIPPINES

ZAMBOANGA DEL NORTE VIOLENCE VIEWED

Quezon City ANG PAHAYAGANG MALAYA in English 21 Apr 85 p 6

[Text]

ZAMBOANGA CITY - Zamboanga del Norte, a province in the southwestern tip of the Philippine archipelago, has gained the image of a place tormented by violence.

Hundreds of families have been forced to abandon their farms and homes due to the widespread killings and house burnings allegedly perpetrated by military or paramilitary units in the province.

Considered as the most critical area is the Salug Valley. Its mountain range connects the province to Zamboanga del Norte to the southeast.

The military, with the aid of religious fanatic groups, are driving the people away from the place because it is believed that the mountain range serves as a supply and communication line for New People's Army (NPA) rebels.

As a result, the people have no other choice but to seek refuge in "relatively safe" areas, such as the towns and vacant lots along the highways.

Most of the abandoned communities have been declared "no man's land" by the military authorities, making it very risky for the families to return to the area. Several incidents of house burnings and murders were reportedly committed by military and paramilitary units to frighten the people and make sure they will not return to their communities.

People moving towards barrios near the abandoned areas are thoroughly checked and are sometimes detained when they carry foodstuffs in large quantities. According to the people, the military would usually accuse them of bringing food to the NPA guerrillas.

The displaced families, on the other hand, stay with relatives and friends. Others

have managed to rent lots and build small houses. The more unfortunate ones however, can only afford to stay in public places like village halls, chapels and old houses.

The town of Midsalip has the most number of displaced families, about 438 displaced families as of February this year. Since October 1984, 43 persons have been killed and 12 houses burned.

The people believe that these acts were committed by the Integrated Civilian Home Defense Force (ICHDF) and religious fanatic groups allegedly armed by the military operating in the area.

About 300 families now in the town of Tukuran have also abandoned their farms in the barrios of Sugod, Tudela and Baklay.

The towns of Josefina, Molave and Dinas also have a total of 300 displaced families. Some of the families who attempted to return to barrio Lapiarian were arrested and detained overnight. They were later released after being told not to return to their farms again.

It has become a common sight in many towns of Zamboanga to see tired and hungry people with hurriedly packed possessions on their heads and mothers trying to feed undernourished babies from their almost dried-out breasts.

Faced with the threat of starvation unless any additional assistance arrives, the people have to content themselves with only two meals a day.

Meanwhile, the Ecumenical Center for Displaced Families and Communities, with the cooperation of the local parishes, is busy trying to set up projects that can alleviate the difficulties of the displaced families.

CSO: 4200/968

PHILIPPINES

ALLIANCE TO BACK EITHER DIOKNO, SALONGA OR LAUREL

Davao City THE MINDANAO DAILY MIRROR in English 16 Apr 85 pp 1, 7

[Text] The Makabayang Alyansa (MA) will give all-out support to either Jose W. Diokno, Jovito Salonga or Salvador Laurel should one of the three be finally chosen by the united opposition to run for president of the country in the 1987 polls (or earlier) against the KBL candidate--orivided that the running mate will come from Mindanao.

This was the statement made by MA national chairman Homobono Adaza in last Sunday's special meeting of the party at a downtown Davao restaurant.

The special meeting had been called by MA vice president Atty. Cominador F. Carrillo to assess and evaluate the party's past performances and strength in preparation for the forthcoming elections.

Adaza, a member of Parliament and governor of Misamis Oriental, however, declined to say who his choice would be for the vice presidential slot, although those who attended the meeting felt Adaza was actually referring to himself.

The fiery opposition leader from northern Mindanao also dangled the threat that the MA would put up its own presidential candidate from Mindanao should there be a Laurel-Cory Aquino ticket. "I respect Doy Laurel and I respect Cory Aquino," he said, "but we will see to it that there will be a presidential candidate from Mindanao" in the event of a Laurel-Aquino team-up."

Adaza also brushed aside the possibility that KBL money by the millions of pesos would work in favor of the majority party's candidates. "The next election will be an entirely new ballgame, unlike previous ones," he said. "The next election will be decided by numbers and KBL money will not be enough to ensure its victory. Money cannot vote, it is people who vote." He then gave a piece of advice: "Swallow the bait, but spit out the fish-hook."

Would the probability that the KBL may have to contend with presidential candidates from more than one opposition party mean certain victory for the KBL? "It does not necessarily follow," Adaza said. "The administration candidates in Great Britain, France and Zimbabwe lost to the opposition which had fielded several candidates under different party affiliations," he said.

When asked whether or not he would run in a presidential election, Adaza replied that he was not about to show his cards too early. "One man did that and got shot in the back on the tarmac!"

Adaza said that he could not expect support from the U.S. should he run. "America has no love for me," he said. "But I don't think that Americans are in a position to choose who should run this country."

As for the chances of the opposition being united, Adaza pointed to two stumbling blocks that stand in the way: (1) If opposition leaders think only in terms of their personal ambitions, and (2) If the opposition leaders continue to espouse policies which are no different from those of the Marcos regime.

CSO: 4200/965

PHILIPPINES

**CHINESE COMMUNITY PREDICTED TO BACK OPPOSITION**

Cebu City VISAYAN HERALD in English 17 Apr 85 pp 1, 4

[Text]

A "reversal" of contributions to the campaign chest by the Chinese community is predicted by opposition sources, according to a Far Eastern Economic Review source.

The prediction is based on what is "sensed as a new political climate," and on the hope that there will be a reversal of the situation of last year's election.

It was reported that the Chinese business community in Manila through the Federation of Chinese Chambers of Commerce provided P250 million (US\$13.5 million) to the KBL in the May 1984 election, while less than P2 million was channelled to the opposition.

The internationally-circulated newsweekly stated that at least one opposition figure has been assured by Ralph Nubla, president of the Philippine Bank of

Communications and chairman of the powerful Federation of Chinese Chambers of Commerce, that he can count on funds for the elections next year.

The Far Eastern Economic Review further reports that a large part of the business community has shown its hand behind the opposition with the volume of amount to be contributed remaining uncertain.

The report further states that businessmen the Review talked to preferred to make the amounts certain when election day gets nearer.

Although it was opined that what the KBL will get in terms of funding from the businessmen will be no match to what may be contributed to the opposition, it was admittedly thought that "opposition candidates would not need as much to defeat the much-maligned government."

CSO: 4200/964

PHILIPPINES

PRC ENVOY STRESSES NONINTERFERENCE

HK240752 Manila BULLETIN TODAY in English 23 May 85 p 5

[Text] Chinese Ambassador Chen Songlu said yesterday China does not get involved in the insurgency problems of other countries, including those of the Philippines. While party-to-party relations may exist between the Chinese Communist Party and the communist parties of other nations, China's policy is not to meddle in their government affairs, according to him.

The envoy made the statement at a roundtable discussion on the foreign policies of selected countries at the Foreign Service Institute [FSI] presided by FSI Director Juan V. Saez. Chen pointed out that this position has been made clear to Philippine Government officials who have expressed appreciation for it.

Asked about China's view on American military bases in the Philippines, he said that as a matter of principle China does not approve of foreign military facilities in any country. He said the U.S. bases issue here is purely a matter for the Philippines and the U.S. to discuss, adding that he is confident the Filipino people are capable of handling the question in accordance with their national interest and sovereignty.

He said China is developing friendly relations with other countries on the basis of its five principles of peaceful coexistence: sovereignty, territorial integrity, mutual nonaggression, equality and mutual benefit and noninterference in the internal affairs of other countries.

He said, however, that this does not mean that China does not make adjustments in its foreign policy with respect to specific issues. China formulates foreign policy according to the merits of specific issues and not on the basis of "whims, imagination and expediency."

Chen also said China is developing nuclear weapons only for the purpose of self-defense and stressed that it will never be the first to use nuclear weapons.

Allaying the fears of some people that China may seek hegemonism if she becomes developed, Chen said "the development of China is the development of the strength for peace, the strength to check the outbreak of a new world war. The stronger China becomes the more solid guarantee there will be for peace."

PHILIPPINES

PAPER ON CPP PROGRAM TO MANIPULATE OPPOSITION

Davao City PEOPLE'S DAILY FORUM in English 18 Apr 85 p 5

[Article by Oscar O. Patenio: "Communism in Our Midst"]

[Text] One most important priority of the Communist Party of the Philippines and New People's Army's program of action is the infiltration of the ranks of the political opposition in our country.

The reasons for this particular strategy are, of course, understandable. At this point of time, the dissident movement has every reason to be worried over the possibility that their bid for a violent revolution and overthrow of our duly constituted government may be somewhat pre-empted by the emergence of a credible political opposition operating within the ambit of our democratic system. It is for this reason that according to intelligence reports, the dissidents are therefore targetting the opposition to hopefully attain the following objectives:

First, to use the opposition's "political machinery" in promoting the party's legal and open mass movement in the urban centers;

Second, to strengthen the structure of the Communist Party of the Philippines' front organizations with the witting or unwitting help of the opposition elements;

Third, to win the sympathy and confidence of leftist leaning oppositionists; and

Fourth, to recruit opposition sympathizers into the Communist Party of the Philippines' mass base.

In their analysis of the situation, CPP or cadres have reportedly divided the opposition into three categories, namely:

The "leftist-leaning" opposition, people who are on the left.

The people who are in the center which they call the "centerist" opposition.

And the people who are on the right side of the political spectrum known as the "rightist-inclined" opposition.

Through the manipulation of these groups, they believe that they can win over temporary and tactical allies in their overall strategy to destabilize our democratic system. The Party, that is the Communist Party, reportedly believes, in fact that an active effort to exploit opposition activities such as rallies, demonstrations and other forms of mass actions that you see in our metropolis these days can boost the armed struggle being waged and carried on in the countryside since it will give an impression that the Party is enjoying considerable popular support in various parts of our land.

The strategy of the underground movement in the infiltration of the political opposition would follow the same design and pattern used in the infiltration of the religious, labor and student sectors.

Indeed, the CPP have been infiltrating the religious, labor and student sectors including the peasantry.

Right now, in our midst, the CPP agents are creeping. Pretending to be angels, who could redeem the people from hardships. They preach all the good things that human beings could acquire for economic recovery and improvement of mankind.

This was what the communist had done in practically all countries in the world which turns communists. The people believed on them. But once the communists grabbed the governmental power, these sectors who aided them during the court-ing stage of their maneuvers such as the intelligent groups of the society, the priests, nuns, journalists & landowners were killed.

For why were people in the communist countries employed all kinds of means to evade from their land if there are really milk and honey as promised by the communist propagandists? They left their countries by waves to seek refuge in foreign democratic shores. On the other hand there is no single person in history who evaded from his democratic country to be wrapped by a communist blanket. This is one single situation which is worth to ponder.

CSO: 4200/965

**PHILIPPINES**

**PROTEST CONCERT FOCUSES ON WORKERS; LATIN AMERICA LINKS CITED**

Quezon City ANG RAHAYAGANG MALAYA in English 15 Apr 85 p 7

[Text]

Genuine trade unionism will be the main focus of the second full-length concert of the *Patatag* nationalist song group 7 p.m. on April 25-27. Billed as "Ang Buhay ng Proletaryo", the concert serves as a cultural commemoration of International Labor Day and the Filipino worker.

*Patatag* had its first full-length show in October 1984 at the National Press Club in celebration of National Farmers Week. Formed only a few months earlier in response to a strongly-felt need for more progressive music groups, *Patatag* is often heard today during rallies and symposia with its well-blended choral renditions of "Awit ng Tasumpay", "Dapat Bawiin", "Bella Ciao", "Pandaigdigang Kapatiran", and other protest songs.

Inspired to a large extent by the proponents of the new Chilean Song Movement in Latin America, particularly Victor Jara, Quilapayun, and Inti-Illimani, *Patatag* now has a wide repertoire of Filipino protest songs gathered from almost every region and tribal community in the country.

While its 1984 concert highlighted peasant songs, this April show will bring to the fore its research of workers' music. Songs on the Philippine labor scene and abroad, popular songs in factories and picketlines have been prepared. The highlight of the show will be *Patatag's* song interpretation of the principles of genuine trade unionism.

Tickets are now available with the concert sponsor, the Student Christian Movement of the Philippines at the NCCP multi-purpose building 879 E. de los Santos Ave. or at the gates, Mater Del auditorium, St. Joseph's College, E. Rodriguez Ave., Quezon City.

CSO: 4200/964

PHILIPPINES

KMU INTERNATIONAL ART EVENT HONORS WORKERS

Quezon City ANG PAHAYAGANG MALAYA in English 15 Apr 85 p 7

[Text]

The Committee for the advancement of the Filipino People's Art (CAFPA) makes history when its initial project goes underway April 15-30 at the Mount Carmel Community Center, 4th Street (Broadway) New Manila, Quezon City.

Billed as "A Tribute to the Workers: Philippine International Art Exhibition I", the event is being done in conjunction with the International Solidarity Week under the auspices of the Kilusang Mayo Uno (KMU).

It will culminate in a mass rally by the Philippine trade union movement on Labor Day, May

1, at the Liwasang Bonifacio.

More than 20 international artists are participating in the art exhibition. Among them are members of the Japan Afro-Asian and Latin American Artists Association (JAALA), International Artists Brigade of Sweden, Cadre of Media Resources and Action (CAMERA) of India, Society of Hiroshima Atomic Bomb Survivors and the Concerned Artists of the Philippines (CAP). Also participating are local artists from Davao, Iligan, Negros, Baguio and Manila.

Several other artists, including members of the

Palestinian Liberation Organization and the Hiroshima Korean Survivors Society, have signified their intention to join.

This art exhibition, the first of its kind in the Philippines, will bring together international artists in the visual field who have committed their art in the service of the working masses of the world.

Lectures, film showings and slide presentations are slated during the 15-day affair. CAFPA is headed by Papo de Asis as chairperson and Atty. Rashid Saber as general secretary.

CSO: 4200/964

PHILIPPINES

TRANSPORTATION STRIKE LEADER RELEASED

Quezon City ANG PAHAYAGANG MALAYA in English 19 Apr 85 pp 1, 2

[Text] Bonifacio de Luna's eyes squinted under the glare of the early April sun, his chest savoring the "air of freedom."

Unmindful he was still in a military camp where he had been held on subversion charges for the last 73 days, De Luna clenched his right fist before clasping the hands of two prominent opposition lawyers who went there to greet him.

In a few minutes, he was back to a crowded neighborhood in San Juan where adoring friends and relatives met him with full grins and warm words of welcome.

"I may be a free man again but my release has not changed anything. The greater resolve to fight for the rights of

jeepney drivers is the only change that my incarceration brought about," said De Luna, a 54-year-old lawyer and leader of a jeepney group who was arrested with several others after a bloody jeepney drivers strike in Metro Manila last Jan. 28.

The military released De Luna yesterday morning after failing to establish sufficient evidence to prove he and several leaders instigated the violence in the Jan. 28 transport strike.

Several leaders of the jeepney strike, including prominent movie directors Lino Brocka and Behn Cervantes, were jailed on the same charges but were released last month.

De Luna, who was fetched from the spartan Ipil detention center at Fort Bonifacio by opposition lawyers Salvador Laurel and Raul Gonzales, is raring to go back to

the streets to help "oppressed drivers" fight for their basic rights and freedom.

He was scheduled to meet yesterday afternoon leaders of jeepney organizations to plot moves to escalate the protest against the impending rerouting of some 8,000 jeepneys from the routes plied by the Light Railway Transit.

"More than 20,000 workers will be dislocated by the massive rerouting of jeepneys.

From my prison cell, I have protested the rerouting. Our next move now will be planning for the forms of protest that would dramatize the plight of jeepney drivers, he said.

"In all the 73 days of my imprisonment, I prepared for nothing except life in the streets and the court rooms to defend the jeepney drivers. I am back to my people now," he said.

PHILIPPINES

COLUMNIST ON CONFLICTS DIVIDING BAYAN

HK210453 Quezon City VERITAS in English 19 May 85 pp 5, 7

[*"The Human Factor"* Column by Melinda Quintos de Jesus: "The Message of the Middle Force"]

[Text] The first National Congress of Bayan may have left the ranks of the so-called moderate groups battered and battle-scarred, but the experience must have surely been both chastening and strengthening.

Only sheer determination made it possible to persevere in the long and tedious pre-convention negotiations on the basic agreements acceptable to some 500 individuals and organizations described as "cause-oriented." The basic conflicts that divided the groups were part of the givens and even in the earliest stages, the problems arising from these differences were evident. Still, there were enough who felt that a unified opposition was necessary and certainly worth a try.

The degree of the participation and involvement of the different blocs depended on the assessment of the possibilities for unity or, perhaps, for domination. It could not have been easy for some groups to presume good faith and act on trust when certain of their members were rejected as unfit for leadership in Bayan. Manindigan's withdrawal even before the convention opened was not so much a surprise as a sign of what was to come.

While there have been no official statements forthcoming from any of the groups that eventually boycotted the election on Sunday, it is clear that the coalition still stands on shaky ground. But some crucial lessons have emerged.

The balance of power within Bayan remains in flux. It is difficult to determine which group the organizational structure actually favors. The NDF [National Democratic Front] counts more members in the general assembly. The Moderates and Independents, on the other hand, have secure positions in the Council of Leaders.

Moreover, the convenient categories (Natdem, LibDems, Independents) used to identify ideological orientations within Bayan do not always capture the personal convictions of individual members, nor account for the cross-fertilization of ideas among them.

The political maneuvers evident during the weekend exercise demonstrated the danger that in-fighting within the group may eventually erode good-will, diminish organizational resources and deplete political energy.

The "Moderates" brought to the coalition necessary resources and skills. But these were apparently not adequate to earn the respect of the more radical elements whose claim to power rested on organization and numbers. The convention thus dramatized once again that the "Moderates" have to band together to be able to play the numbers game.

The possibilities for an organized middle force should not be so lightly dismissed. Was it not, after all, the middle class elements and their "confetti revolution" which focused world attention on the Philippines shortly after the Aquino assassination? Their impact on the "parliament of the streets" can hardly be disputed.

Radical opposition leaders have periodically proposed a general strike that would bring the national capital region to a standstill. It would be difficult to conceive of such a plan prospering without the support of the middle force, particularly those in business and management.

And the moderates hold another card. The great "apoliticized," "disorganized" masses--the ones who queued to view Julie Vega in her coffin and elbowed and jostled one another at her funeral--are probably more attuned to the ideology (or lack of it) of the middle class. It is hard to see them abandoning their middle-class aspirations to submit to the discipline of the hills.

So the "Moderates" do have an untapped source of strength. And it would be foolish for the NDF not to court them to a unified front. That is, of course, if they get a second chance.

CSO: 4200/974

12 June 1985

PHILIPPINES

## TIMES JOURNAL ON 'SPECTRE OF FAMINE' IN NEGROS

HK210135 Manila TIMES JOURNAL in English 19 May 85 p 4

[Editorial: "This Hunger Is Real, Help Should Be Too"]

[Text] The spectre of famine has begun to stalk many parts of the country. Its primary victims are the children of poor farmers whose land either have been severely ravaged by last year's rapid succession of calamities or abound with a crop nobody wants to buy.

In Negros Occidental, half a million sugar workers will soon find themselves jobless when the milling season ends a few short weeks from now. With the demand for cane sugar at an all-time low, chances are they will remain idle and helpless for a long time to come. That province's single-minded obsession to plant practically every arable hectare to a single cash crop has made it unable to feed its own inhabitants. When the export earnings were good, it could simply buy food from other provinces, but now things are different. Bacolod, once the glittering and busy showcase of sugar baron Largese, has taken on a ghost town aspect. In the outlying municipalities, conditions are much worse.

In the typhoon-devastated provinces of eastern Visayas and northwestern Mindanao, millions of people go to bed each night with empty stomachs only to be haunted by nightmares of where to get the next meal the following day. Last year's typhoons were so ruinous rice farmers, for instance, were forced to consume even their seed crop. The storms' winds felled hundreds of thousands of coconut trees, the major source of income of these areas, while the newly planted seedlings will take at least 3 years to bear fruit.

People who find themselves in more fortunate circumstances may react differently to such accounts of widespread hunger. Some will deny such suffering exists, others may even try to make political capital out of the plight of millions of Filipinos. But the situation in those areas is so dangerously critical that we ought to set aside our partisan differences and instead join hands in what can only be a massive effort to rehabilitate those areas of our country that have been ravaged by nature or the greed of a few men.

CSO: 4200/973

12 June 1985

## PHILIPPINES

## NEGROS MULLS OVER DIVERSIFICATION ISSUES

HK210121 Manila BULLETIN TODAY in English 19 May 85 pp 1, 14

["Special Report" by correspondent Jamil Maidan Flores: "Diversification Is Answer" (conclusion)]

[Text] Another fact of life that the planters would have to face is that Negros will remain in an economically precarious position as long as it grows only one crop. Nobody among the planters has disputed the wisdom of diversification, but doing it is another thing.

Romulo Quemado, an agricultural consultant who travels all over Negros, particularly the southern part of Negros Occidental, says that a big part of the island could be profitably turned into ipilipil plantations. The soil is such, he said, that in many places any legume crop can be profitably grown.

Quemado suggests that a study on which the crop diversification program in Rizal Province was based could be the model for a similar program for Negros Occidental. He said interested parties can get in touch with Agriculture Deputy Minister Orlando Sakay.

There is a much closer model that Negros can use and that is Iloilo, which is still a sugar district but also one of the country's major rice granaries. The concept of crop zoning, as envisioned in the proposed agribusiness incentives law, might help push crop diversification in the sugar-mired province.

Finally, the sugar planters must realize that the industry cannot be put back on its feet by a single savior. Or a single set of saviors.

This is the rationale behind the move of some planters to welcome the labor sector into the policymaking processes of the sugar industry. The labor sector just might happen to have ideas that are good not only for the workers but also for everybody else.

They also say that the sugar industry reform package with PD [Presidential Decree] 1971 as its core is actually a good democratizing idea that has yet to be fully outlined--one that is going to be completed by the very same democratic processes that it has triggered.

Therefore, the chief advocate and implementor of the reform package, Armand Gustilo, and the others elected yesterday as representatives of the planters and millers in the Philsucom [Philippine Sugar Commission] will need all the help that is coming to them.

Well-thought-out policies will have to be evolved. For instance, the proposal to mothball a number of sugar mills--a thousand caveats will have to be considered before any one of them is put out of its misery. And yet a number of them may have to go.

Another instance is the place of highly mechanized technology in the industry. It is easy enough to say, "Let's adopt Australian technology and be more competitive in the world market." In the aquaculture industry, a lesson has been learned: Taiwanese prawn technology works very well in the Philippines, but it is uneconomical.

A similar letdown could emerge from the adoption of ultra-modern technology. And yet technology must be used to improve efficiency if the country has to keep on producing sugar at all.

Mayor Ricardo Palmares of Passi, Iloilo, a member of Nasutra's seven-man executive committee, speaks of the need for feedback and the formation of consensus on lower levels that will evolve into decisions as they rise to higher official levels.

An Ilango civic leader, who is not involved in any way in the sugar industry, speaks of the need for reconciliation and dialogue among the contending groups in the industry.

A sugar miller speaks of legitimate pressure that planters and millers should exert on their representatives in the Philsucom in order to bring about further reforms.

What they are talking about is the need to bring into play the collective wisdom of all who have a stake in the sugar industry, if the industry is to survive at all.

CSO: 4200/973

PHILIPPINES

MINDANAO INSURGENCY CLASHES LEAVE 34 DEAD

HK211402 Hong Kong AFP in English 1201 GMT 21 May 85

[Text] Cagayan De Oro, Philippines, 21 May (AFP)--A total of 34 people, including 28 communist guerrillas, were killed in insurgency-related incidents in the north of southern Mindanao Island in the last 2 weeks, the military said here today. An unknown number of combatants and civilians were also wounded in 48 "hostile activities" between government troops and New People's Army (NPA) rebels in the same period, the regional military chief told a news conference in this northern Mindanao city.

Brigadier-General Madrino Munoz said the incidents included 30 "encounters" or clashes, four raids of town centers and military outposts, six assassinations, five arms seizures and three ambushes.

Mindanao Island is the current focus of the 16-year NPA rebellion. Acting Armed Forces Chief Lieutenant-General Fidel Ramos has disclosed that 33 out of 56 military battalions engaged in counter-insurgency are deployed in Mindanao.

Military sources said nine regular battalions are in northern Mindanao, composed of seven provinces and seven cities including this provincial capital. Some 700 of the officially estimated 12,000 NPA rebels are operating in the region, they added. Twenty-eight NPA rebels died, while the government suffered six dead and 22 wounded. Two civilians were also wounded while the local manager of the state-owned Mindanao Steel Corp is still held captive by the NPA after the plant was raided 5 May, General Munoz said.

The NPA is the military wing of the banned Communist Party of the Philippines (CPP), which claims it has 15,000 regular and 15,000 "part-time" guerrillas. General Munoz said the figures were a significant increase from the past, but maintained that "this is no cause for alarm."

"This should only make people realize the need to be alert and more cooperative with both civil and military activities," he told reporters.

CSO: 4200/974

PHILIPPINES

MARCOS ACCEPTS RESIGNATION OF LAND TRANSPORT HEAD

HK231636 Manila BULLETIN TODAY in English 23 May 85 p 1

[Text] President Marcos accepted yesterday the resignation of Col Mariano R Santiago as commissioner of the newly formed Land Transportation Commission [LTC]. The president also granted Santiago's request that he be allowed to retire from the military service.

Santiago, former director of the defunct Bureau of Land Transportation [BLT], resigned as LTC commissioner the other day, citing differences with his immediate boss, LTC Chairman Buenaventura Guerrero.

In his letter to the president, Santiago asked to be retired from the military service so he could start a new career and devote more time to his family.

Santiago assumed office as director of BLT in August 1979. He had been an active member of the Armed Forces of the Philippines with the rank of colonel.

With the recent merger of the Board of Transportation and the BLT, he was appointed one of the commissioners of the newly formed LTD.

A product of the Philippine Military Academy (PMA), the 41-year old official claimed that Guerrero had reinstated and had, in fact, given key positions to a number of personnel whom Santiago had earlier put in the "freezer" for being unfit.

CSO: 4200/973

PHILIPPINES

FIVE MILLION ESTIMATED TO BE HOMELESS

HK271416 Manila BULLETIN TODAY in English 25 May 85 p 16

[Text] There are today a conservatively estimated five million Filipinos who are refugees in their own country or citizens officially described by the government as "distressed/displaced."

Majority of the refugees are in Mindanao underscoring prevailing peace and order situation in that area of the nation although counterparts in Luzon also number over a million.

Basis of the estimate is the 3.1 million distressed/displaced persons extended government assistance in 1983 (figures for 1984 not yet available) and reports of the military indicating deteriorating peace and order conditions in more places in the country last year and the 1985 first quarter, as well as dislocations caused by the ongoing national economic crisis.

Reporting the 3.1 million refugee count is the National Census and Statistics Office (NCSO) which identified the Ministry of Social Services and Development (MSSD) as source of the official figures.

The MSSD report quoted by NCSO placed at 5,102,131 the number of Filipinos provided government assistance in 1983. The five million total does not include those who sought but failed to obtain such help and those who were aided by relatives and did not bother to make their plight known to the MSSD.

Of the 5.1 million assisted, NCSO said 1,818,138 were unemployed family heads, other needy adults and children; 565,883 out of school youth; 158,143 disabled persons and 3,126,353 distressed/displaced persons.

Mindanao refugees counted at 1,444,783; those in Luzon, including Metro Manila, 1,020,972 and 660,598 in the Visayas, NCSO said.

Government reports reflect that the most severe deterioration of peace and order conditions is taking place in Mindanao due to activities of the secessionist Moro National Liberation Front and the New People's Army of the Philippines communist movement.

In 1983, NCSO said 603,128 refugees in Southern Mindanao were provided government assistance through MSSD: 302,171 in Western Mindanao; 293,950 in Central Mindanao, and 245,534 in Northern Mindanao.

Mindanao's regional population as of end-1984 was estimated by NCSO at 3.8 million compared to the 3.3 million listed by the 1980 census.

Luzon's 1,020,972 distressed/displaced persons were distributed as follows: Southern Tagalog, 253,664; Bicol, 200,452; Central Luzon, 191,053; Metro Manila, 151,554; Ilocos, 114,399 and Cagayan Valley, 109,850.

CSO: 4200/976

PHILIPPINES

MUTUAL DEFENSE BOARD HOLDS ANNIVERSARY RITES

HK231420 Quezon City Maharlika Broadcasting System in English 1100 GMT  
23 May 85

[Text] The 27th anniversary meeting of the Philippine-United States Mutual Defense Board was held today at the AFP [Armed Forces of the Philippines] Commissioned Officers Club in Camp Aguinaldo, Quezon City. The full report from Jun Francisco:

[Begin recording] The meeting was hosted by Acting Foreign Affairs Minister Pacifico Castro. Other ranking officers of the ministry as well as former heads of the ministry were also present. The United States delegation was headed by Ambassador to the Philippines Stephen Bosworth, who represented the U.S. Secretary of State George Schultz. Other senior officials and staff of the embassy also attended. Presiding over the 27th RP [republic of the Philippines]-U.S. Mutual Defense Board meeting were co-chairman Lieutenant General Fidel Ramos, acting Armed Forces Chief of Staff, and Admiral William Crowe Jr, U.S. Commander-in-Chief of the Pacific.

The board reviewed events and accomplishments of the past few years to include the recent successful conclusion of the RP-U.S. joint coordinating exercise Balikatan '85. Existing plans and programs were likewise discussed to ensure [words indistinct] set forth in the RP-U.S. defense treaty for the defense of the Philippines against armed external attack. As a responsible forum for negotiation between the two countries, the board provides [words indistinct] to the common goal of a strong mutual defense which is essential to regional security and international peace.

CSO: 4200/974

PHILIPPINES

VISAYAS CHURCH GROUP CLARIFIES 'MARCH'

Cebu City VISAYAN HERALD in English 15 Apr 85 pp 1, 4

[Text]

The Visayas Secretariat for Social Action (VISSA) yesterday explained that the parade from Fuente Osmena to the Cebu Metropolitan Cathedral was part of a two-day celebration marking the tenth year of social action work by VISSA and was not a protest action as alluded to in two local dailies.

VISSA executive secretary, Msgr. Jose Bordes, in an interview with dyRF and the VISAYAN HERALD during the broadcast coverage of the affair said yesterday afternoon's activity was not a protest against injustice but was a celebration.

Bordes explained that while social action work includes assisting victims of injustice and making people aware of their rights and duties, the parade attended by social workers, members of social action oriented organizations, the faithful and clergy of

Cebu and representatives from other areas in the Visayas, was intended to kick off the tenth anniversary of VISSA.

Last night outstanding performances in the field of social action were honored and those involved in these activities were awarded at the Social Hall of the Patria building.

The awards given include a posthumous award to Fr. Ed Kangleon which VISSA honors as one outstanding social action director who died because of harassment from military authorities as his social action work was misinterpreted as subversive activities.

Today, VISSA winds up its tenth anniversary celebration with a symposium on the social action apostolate vis-avis the present conditions. Bishop Francisco Claver talks on the subject as resource speaker. (FSS)

CSO: 4200/964

PHILIPPINES

THOUSANDS MARCH FOR VISAYAS CHURCH SOCIAL ACTION

Cebu City VISAYAN HERALD in English 15 Apr 85 pp 1, 4

[Text]

"Thousands joined in the march and eucharistic mass yesterday signifying their continuing support for the pursuit of justice and peace marking the kick off celebration of the 10th anniversary of the Visayas Secretariat for Social Action (VISSA).

Multi-sectoral groups from different walks of life assembled at Fuente Osmena at 3:00 pm carrying placards and banners dramatising their search for truth, justice and peace. The march and mass was participated in by sectoral groups coming from Iloilo, Bacolod, Samar and Leyte. In Cebu, among those who joined the march included the Catholic Women's League, Visayas Ecumenical Movement for Justice and Peace, Coalition Against People's Persecution, COMMAND, League of Filipino Students, Ambulant Vendor's Association, Bo. Luz

Confederation Organization, Nagkahiusang Drivers Sa Sugbo, including other organizations from Dumanjug, Guadalupe, and other areas in the City and province.

Spearheaded by the Visayas Secretariat of Social Action (VISSA), the march ended up at the Cebu Cathedral Church where a solemn mass was heard.

According to VISSA, which is the social arm in the Visayas of the Catholic Bishop Conference, the march served as a venue to call the attention of the people to the unjust situations and oppressive structures which breed injustice and jeopardize the pursuit for peace.

In line with its theme of "Ten years for genuine christian response towards total transformation", the celebration aims to promote social action as an integral part of Christian life for both laymen and the clergy. (LS)

CSO: 4200/964

PHILIPPINES

CANADIAN ARMS, PARTS SALES TO MANILA DRAWS DISSENT

Quezon City ANG PAHAYAGANG MALAYA in English 15 Apr 85 p 4

[Article by Ruben J. Cusipag: "Abroad, Filipino-Style"]

[Text]

TORONTO — Strikers at the Crown Corporation De Haviland recently returned to the assembly line and a number of them who are Filipino-Canadians will again live a subtly belittling factory joke.

You see, because of the diminutive size — especially by Canadian yardstick — of Filipino-Canadians, it is said in jest that they do well turning screws at the tail of an airplane under production.

And if De Haviland's strong and high-calibered sales pitch in the Philippines pays off, then some of them will be a lot busier squeezing into the narrow rear of unfinished aircraft.

The Crown Corporation recently showed off in Manila its Dash-8 flying pride — which could be used for either commercial or military purposes.

And if De Haviland wraps up a deal with the Marcos military, those seemingly harmless airplanes can be an airborne instrument of atrocities. This is the reason why a proposed sale of Buffalo planes to the Philippines some time ago stirred ripples of protests from activists here, particularly from a sector of the Canadian churches.

While slick brochures show the Buffalo aircraft as an excellent transport vehicle, they could not hide the fact that it has also some combat features.

Now, if our Filipino-Canadian workers think about the lethal roles of the end-products of their labor, then they should imagine they are in effect turning the screws of some coffins for their countrymen.

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Another brochure, in an unembellished format,

put out by the Canadian Church coalition Project Ploughshares, made passing mention of the fact that the Philippines is one of the countries to which Canada sells military hardware.

The curious can squeeze more juicy facts on this very general and sweeping statement.

In the first place, the sale is not done sort of across the counter but rather through a very affluent conduit — the United States.

Actually, what Canadian manufacturers sell to the U.S. are not military material per se which are ready for the battle zones and it is still in trickles.

The sales can involve innocent-looking spare parts or components.

But these can be fitted into weapons of disaster.

Like for example parts or engine for ferocious jet fighters or

air transport which combat troops in the Philippines can use to liquidate their own people.

Canada Air Limited, for instance, provides components to Northrop F-F fighter planes and to Lockheed T-33 which is a jet transport.

Bristol Aerospace likewise supplies parts to Sikorsky VH-60A, an aircraft which has features for war situations.

Another Canadian company, Pratt and Whitney, also sells military helicopters to the U.S.

These indirect sales certainly make some Canadian cash registers ring melodiously.

But in some areas in the Philippines which are being transformed into a hell of raging military conflicts, those made-in-Canada nuts and bolts certainly help in bringing about occasions for a funeral dirge.

CSO: 4200/964

PHILIPPINES

SECURITY FORCE FOR NUCLEAR PLANT SET UP

HK211426 Hong Kong AFP in English 1349 GMT 21 May 85

[Text] Manila, 21 May (AFP)--The Defense Ministry today set up an elite security force to protect the country's first nuclear power plant from sabotage and theft of radioactive uranium fuel, the PHILIPPINE NEWS AGENCY (PNA) said here.

The controversial plant in Bataan Province some 75 kilometers (45 miles) west of here has been the object of bitter protest from oppositors who deem it unsafe.

ANA said the security force would protect the plant from "radiological sabotage and theft of materials, including uranium," and would also protect plant personnel and property against "adversary actions."

It was formed with the signing of a memorandum of understanding at the plant site between Defense Minister Juan Ponce Enrile and Energy Minister Geronimo Velasco, representing the state-owned nuclear plant, the government news agency said.

The security force is composed of a full company from the national police force, and a platoon each from the Coast Guard and the Marines, it added. Defense and Energy Ministry spokesmen here could not be reached for comment.

The local Nuclear Regulatory Agency will start public hearings here next month on the safety of the plant built by the U.S. firm Westinghouse prior to the granting of an operating license to the state-owned National Power Corp which will run it.

CSO: 4200/974

PHILIPPINES

ADDITIONAL \$21.7 MILLION LOAN APPROVED FOR NUCLEAR PLANT

HK271331 Manila METRO MANILA TIMES in English 25 May 85 p 12

[Article by Corrie Salientes]

[Text] The United States Export-Import Bank (Eximbank) has approved an additional \$21.7-million guarantee to enable the Philippine Government to finance the operations and maintenance of the Philippine Nuclear Power Plant (PNPP) in Morong, Bataan.

National Power Corporation (NAPOCOR) senior Vice President Federico Puno yesterday said the government was now negotiating with several U.S. banks to lend the amount on the strength of the Eximbank guarantee.

U.S. Eximbank had earlier extended a \$367.2-million guarantee loan plus a direct loan of \$277.2 million for the construction of the nuclear plant.

Puno explained that the newly-approved \$21.7 million loan guarantee was apart from other loans which made up the \$1.5 billion foreign loan component of the PNPP funds.

Total peso portion of the PNPP capitalization amounted to P[Peso]5.58 billion, consisting of P3.8 billion government equity and P1.99 billion in Napocor Corporate funds. The total drawdowns or the amount already used from the foreign component for the construction of the PNPP as of February this year had reached \$1.289 billion.

With the estimated project cost of \$1.510 billion from the dollar portion, \$220.6 million is still unused. In contrast, total peso expenditures have exceeded targets by P1.43 billion.

The dollar portion of the PNPP financing was raised by the government with guarantees and loans from the U.S. Eximbank, and loans from Union Bank of Switzerland, Bank of Tokyo, Sumitomo Finance Asia Ltd., American Express Export Credit Corporation, Mitsui and Company, and others.

According to a PNPP spokesman, only \$384.5 million of the total foreign loan of more than \$1.5 billion was actually used in the procurement of nuclear plant equipment. The remaining amount was used in construction, transmission system, engineering support, services, training, fuel, and others.

CSO: 4200/976

PHILIPPINES

BRIEFS

PERMANENT LIST OF VOTERS--In the Batasang Pambansa, the ad hoc committee on the election code has agreed to have a permanent list of voters that will only be changed completely every 12 years. The full report from Marilu Linggad: [Begin recording] The ad hoc committee was created last year by the committee on revision of laws to study the proposed election, including the recent proposal submitted by the opposition. The list of voters will have yearly additions, cancellations, and corrections which will be used for each election, plebiscite, or referendum. The committee also agreed [words indistinct] of the citizens' election committee [CEC] must be public schoolteachers. The ad hoc committee, presided over by M.P. Manuel Garcia, will further study the proposal to give CEC members GSIS [Government Security and Insurance Service] insurance coverage. It also agreed to look into the possibility of having at least one side of ballot boxes transparent. However, other matters still unresolved by the committee included whether to allow voting centers in crowded plantations, the disqualification of barangay officials in the citizens' election committees, and the private printing of election material. [End recording] [Text] [Quezon City Maharlika Broadcasting System in English 1100 GMT 21 May 85]

ELECTION SYNCHRONIZATION--Political Affairs Minister Leonardo Perez said that the KBL [Kilusang Bagong Lipunan] and the opposition have agreed to form an ad hoc partisan committee to come up with a consensus on the proposed synchronization of elections. Opposition members of parliament have been calling for the synchronization of the elections. Minister Perez said that the mechanics of the proposed election synchronization will be discussed shortly by both leaders of the KBL and those of the opposition parties in the Batasan. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 20 May 85]

JAPANESE TECHNICAL COOPERATION--The Philippines and Japan are looking forward to increased technical cooperation and exchanges. This includes the opening of an occupational safety and health center in the Philippines. The Philippines biggest manpower export to Japan is in the field of entertainment. There are reportedly 13,000 Filipino entertainers in Japan and about 7,000 are considered illegal. All those went in as tourists but are

now working in violation of both Philippines and Japanese laws. This problem is among those to which the (legal) marketing mission will have to address itself. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 21 May 85]

PARTY MEMBERS OPPOSE CHANGE--At least 4,000 members of the Liberal Party [LP] decided yesterday [21 May] to bolt the party if its leaders clearly state that there will be modifications on the nationalist and anti-imperialist platform and program of government. These new members were recruited last year by the Liberal Party's young Turks. Some 30 leaders of the young Turks from 30 regions of the country also hit the party's alleged openness to foreign support. They also asked the LP Executive Committee members to visit their respective areas throughout the country. The young Turks added that, if necessary, they would resign en masse from the party to divorce themselves from the machinations of the traditional politicians. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 21 May 85]

UPDATE TELEPHONE SYSTEM--The government is negotiating for German financial assistance for the country's telephone system. Transportation and Communications Minister Jose Dans said the financial assistance will be helpful for the expansion program of the Philippine Long Distance Telephone Company. Some 14 billion pesos have already been spent for the country's modernization program. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 21 May 85]

ELECTION COMMISSIONER SWORN IN--Victorino Savellano was sworn in yesterday [20 May] by the president as chairman of the Commission on Elections [Comelec]. Savellano, presiding commissioner of the second division, is the 12th to head the constitutional office. He replaced Vicente Santiago who retired on 18 May. Savellano will serve for 2 years, having been appointed to the Comelec 5 years ago. As there are only four commissioners in the Comelec, the president said he will appoint other members--three, possibly within the week, to allow the body's four divisions to function. The other commissioners are Jaime Opinion, Froilan Bacungan, and Ramon Felipe. The Comelec has a full membership of nine commissioners. In appointing Savellano, the president cited his record in the Comelec, his years as a regional trial court judge, and his local government expertise as a three-time mayor. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 20 May 85]

NPA SUSPECTED IN FUGITIVE ESCAPE--NPA guerrillas operating in Metro Manila helped subversive journalist Satur Ocampo escape last 5 May. This was revealed in documents seized by government lawmen from an alleged NPA underground house in Quezon City the other day. The documents were declassified by PC [Philippine Constabulary] intelligence. They include photographs and film negatives of the National Press Club building as well as a letter dated 6 April saying that a certain Aldo, who is in detention, would try to escape on the first week of May. Aldo was believed to be Ocampo's code name. The documents were seized following a 4-hour gunbattle

with some six suspected NPA guerrillas in Quezon City. A Metrocom [Metropolitan Command] sergeant and a civilian were killed in that encounter. The suspected dissidents escaped. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 22 May 85]

JAIL BREAK--Manila, 23 May (AFP)--At least 27 inmates bolted a jail in the southern city of General Santos at dawn today, taking with them their guards' M-16 rifles, the PHILIPPINE NEWS AGENCY (PNA) said here. The escape brought to 46 the number of prisoners who have escaped from the city jail since 1983, PNA said. General Santos is a port city 1,000 kilometers (600 miles) southeast of here in South Cotabato Province. Prison Warden Lieutenant Ildefonso Manansala said three guards were being grilled by police investigators, while police blocked all land and sea routes to the city. In 1983, 10 inmates escaped from the jail while their drunken guards slept, followed by nine others in two separate incidents, PNA added. [Text] [Hong Kong AFP in English 1253 GMT 23 May 85]

NATIONAL OIL STOCK INCREASED--The country's oil stock has been raised to 65 to 70 days from the previous inventory level of 55 to 60 days. This ensures a stable supply of crude oil. The new inventory level is equivalent to 10.7 to 11.5 million barrels of oil. Energy Minister Geronimo Velasco said the oil inventory level was made possible by the availability of foreign exchange and the softer prices in the world oil market. He said the \$3 billion trade facility signed in New York recently helped normalize the oil inventory of the country. During the foreign exchange crisis, oil firms in the country had only 30 to 60 days' oil credit available. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 24 May 85]

GOVERNMENT COLLEGES BUDGET--President Marcos assured yesterday [26 May] that there will be no reduction in the 1.8 (million) peso annual budget for government colleges and universities. Education Minister Jaime Laya said the president gave the assurance at their meeting, however he said the president has asked higher education authorities to develop alternate measures to generate other sources of funds so that assistance for state colleges and universities would be brought down to 60 percent of the current 94 percent. The president also told Laya to rationalize the operations of the 77 state colleges and universities all over the country to make them more responsive to the demands and realities of the times. He also instructed Laya to take steps to improve the quality and standards of higher education in the country. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 26 May 85]

DEFER ACTION ON ELECTION BILL--The Batasang Pambansa will defer final action on the omnibus election code bill until its second regular session which begins on 22 July. Batasan leaders said the deferment was due to lack of time to deliberate on the proposed election code. There are only 9 session days left before the Batasan adjourns its first regular session on 7 June. During the 9-day session, the Batasan has scheduled only two bills for approval. They are the bill on rallies and demonstrations and the bill amending seven provisions of the civil service law. This means that the other priority bills, including the proposed election code, will be carried over to the second regular session which begins on 22 July. However, Deputy Prime Minister Jose Rono and Political Affairs Minister

Leonardo Perez expressed confidence there will be time for the sponsorship and debate on the election code before the Batasan adjourns. [Text]  
[Manila Far East Broadcasting Company in English 2300 GMT 26 May 85]

ARMY PURSUES SUSPECTED NPA FORCE--A massive military operation is underway in Kalinga-Apayao against 200 armed men believed to be members of the NPA who killed 8 army troopers in a 4-hour gun battle the other day. The fighting occurred in Kabugao town when the rebels raided the town and burned the municipal building and several other government offices. The rebels also made off with 76,000 pesos in cash and equipment. They also seized 11 rifles. Fifth Army Infantry Brigade Commander Colonel Manuel (Ribo) said the raiders withdrew [words indistinct] using motorboats to cross the Apayao River towards the Paco Valley. He said government troops are pursuing the rebels and their escape route was ordered blocked by military units. An army lieutenant, Aniceto Bataras, and seven soldiers were killed in the attack on the Kabugao municipal building. [Text]  
[Manila Far East Broadcasting Company in English 2300 GMT 26 May 85]

MARCOS SPEAKS AT MEMORIAL DAY CEREMONY--President Marcos yesterday [27 May] addressed the U.S. Memorial Day service at the American battle monument cemetery at Fort Bonifacio. At that occasion he said Philippine-U.S. relations will prevail despite the march of the years and the occasional misunderstandings. In honoring the American dead, President Marcos said their sacrifices were an unspoken covenant without which democracy could not hope to survive. But he warned against the tendency to lose sight of the fact that freedom has to be earned and democracy requires vigilance.  
[Text] [Manila Far East Broadcasting Company in English 2300 GMT 27 May 85]

NEED FOR AGRICULTURE MANAGEMENT--Minister Jesus Tanchanco, presidential adviser on food, underscored yesterday [26 May] the need for efficient agricultural management and technological innovations in agriculture to meet the food needs of 24 million Filipinos and to promote national progress. Tanchanco said that improved agricultural management must respond not only to meeting the supply needs but also to check the escalation of food prices and needed nutritional and quality requirements. He also called for technological innovations in terms of new seed varieties and fertilizers and pesticide products, cross-breeding and livestock industries, and the improvement in the agricultural machinery. [Text]  
[Manila Far East Broadcasting Company in English 2300 GMT 26 May 85]

DIALOGUE WITH SUBVERSIVES--Central Mindanao Regional Unified Command's Brigadier General (Cesar Tapia) says the military is willing to have a dialogue with the subversives regarding peaceful coexistence in that region. General (Tapia) made the statement during a multisectoral conference on peace and order among local government leaders, clergy, and civic leaders. He said the military will issue safe passes to rebel leaders who are willing to participate in the dialogue. Bishop (Sohalia) of Lanao del Norte volunteered to act as mediator should the dialogue be held.  
[Text] [Quezon City Maharlika Broadcasting System in English 0800 GMT 24 May 85]

CSO: 4200/977

SINGAPORE

BRIEFS

CHILEAN FOREIGN MINISTER HOLDS TALKS--The Chilean foreign minister, Mr Allende Del Valle, has held talks with the communications and information minister and second minister for defense, Dr Yeo Ning Hong, at the Ministry of Defense. After the 30-minute meeting, Mr Del Valle called on the trade and industry minister and education minister, Dr Tony Tan. Earlier in the day, Mr Del Valle met his counterpart Mr Dhanabalan at City Hall. The visiting minister later told reporters that he had discussed bilateral issues, including Chile's support for ASEAN stand on the Cambodian issue. Mr Del Valle, who arrived yesterday from South Korea, leaves for home tomorrow.  
[Text] [Singapore Domestic Service in English 1300 GMT 29 May 85 BK]

CSO: 4200/1003

THAILAND

RICE PRODUCTION COSTS BY REGION REPORTED

Bangkok SIAM RAT in Thai 22 Dec 84 pp 1, 12

[Article: "Nationwide Rice Production Costs Average More Than 3,000 Baht Per Kwian"]

[Text] Government documents clearly show that nationwide rice production costs this year have averaged more than 3,100 baht per kwian [1 kwian equals 2,000 liters]. Costs in the northeast and south are higher than the national average. The government wants to take action to lower costs. A meeting was held with bankers to set a D Day. The date for purchasing rice was set for 2 March.

The rice price problem and the government's various support measures are coming under strong attack. The support provided has not achieved any visible results. The government had hoped that the measures implemented would help enable paddy farmers to sell their rice (no mention has been made of the type of rice) for at least 3,000 baht per kwian.

SIAM RAT has obtained a report on annual wet rice production costs by region and the national average. This report was prepared by a government unit that is involved in estimating annual wet rice production costs by region and the national average during the agricultural season. The figures are as follows:

In agricultural season 1984/1985, in the north total production costs were 2,697.01 baht per kwian. In the central region, costs per kwian were 3,067.20 baht. In the northeast, costs were 3,488.05 baht per kwian. In the south, production costs were 3,433.60 baht per kwian. Production costs for the entire country averaged 3,140.53 baht per kwian.

These production costs were estimated based on variable and fixed costs. Variable costs included: labor costs to prepare the soil and plant, care for, harvest, transport, thresh and winnow the rice; cost of materials, which included the cost of the seed, fertilizer (manure and chemical fertilizer), insecticides, fuel oil and agricultural implements; and other costs such as cost of repairing agricultural implements and investment capital opportunity costs.

Fixed costs included land use costs and equipment depreciation.

For purposes of comparison, the annual wet rice production costs in agricultural year 1983/1984 were as follows: in the north, production costs were 2,696.22 baht per kwian; in the central region, 3,233.77 baht per kwian; in the northeast, 3,099.75 baht per kwian; and in the south, 3,938.50 baht per kwian. The national average was 3,056.21 baht per kwian.

As for the government's preparations to intervene in the rice markets, on 21 December 1984 at the auditorium of the Ministry of Agriculture and Cooperatives, officials from the ministry, the Banking Association of Thailand and the Rice Mill Association of Thailand held a joint meeting that was chaired by Mr Narong Wongwan, the minister of agriculture and cooperatives. Others attending the meeting included Mr Narong Sisa-an and Mr Banyong Lamsam, bank representatives. The meeting was held in order to discuss measures for purchasing rice from the farmers based on the government's promotion measures.

After the meeting, Mr Narong Wongwan and other people who attended the meeting made a joint statement to the press. They said that rice purchases will begin on 2 January 1985 and that they will continue to 31 March. The period for storing rice at the mills will be 3 months. At the end of the 3-month pledge period, the farmers must sell the rice. If the price is 3,000 baht per kwian, they will receive an additional 1,500 baht from the rice mills. But if the price is over 3,000 baht, the farmers will receive an additional sum. If the price is below 3,000 baht, the rice mills must pay the difference. The rice mills must deposit a guarantee of 1,800 baht per kwian with the banks in order to guarantee the rice price paid to the farmers.

As for the stages in carrying out these things, on Saturday, 22 December, the units that participated in the meeting will officially sign the agreement. After that, provincial committees will select rice mills and determine which mills will use which banks in carrying on activities. This will be reported to the ministry, which will pay the banks.

Initially, the ministry will pay out 1 billion baht. It will charge the banks interest on this money until the banks pay the farmers and then make deductions in the accounts. It is thought that this method will benefit the farmers the most. The rice mills will not profit from this this time. They will make profits only when they send rice to the exporters.

In conclusion, the president of the Rice Mill Association said that since the government announced this promotion policy, the price of rice has increased. The price of 5-percent rice has risen to 3,000 baht per kwian.

11943

CSO: 4207/207

THAILAND

PHICHLAI GIVES VIEWS ON TRADE WITH JAPAN

Bangkok NAEON in Thai 3 May 85 pp 1, 10

[Article: "Begin to Correct Japan Trade Imbalance Systematically; 'White Book' Prepared and Distributed to All Units"]

[Text] Thailand is making a serious effort to solve the trade balance problem with Japan. Three measures have been proposed, and a "white book" has been prepared and distributed to all the ministries, bureaus and departments. A ministry-level subcommittee has been established to delve deeply into the problem. The way to solve the problem is to exert pressure on Japanese companies in Thailand to export approximately the same amount of goods as are imported from Japan. The target is to reduce the [trade] imbalance every year as much as possible. Japan is interested in Thailand making a systematic effort to solve the problem.

Mr Phichai Rattakun, the deputy prime minister, told reporters that at a meeting held by the Subcommittee to Adjust the Structure of Thai-Japanese Trade Relations on 1 May, three resolutions were passed:  
1. To prepare a white book to set forth Thailand's path for solving Thailand's trade balance problem with Japan. This is to serve as a manual for all ministries, bureaus and departments so that in carrying on activities and negotiating with Japan on this matter, things are done in a similar manner. This white book will also be given to Japan.  
2. To establish a ministry-level subcommittee to delve deeply into this problem and find ways to solve the problem. The deputy minister of foreign affairs will be the chairman of this subcommittee. Japan will establish a similar subcommittee.  
3. To implement the "counter ten" measures. In the past, Japanese trading companies in Thailand have always purchased goods from Japan. The figures show that they import approximately 30 billion baht worth of goods every year. But at the same time, they export only about 10 billion baht worth of goods. It has been agreed that from now on, there must be a balance between imports of Japanese goods and exports of Thai goods. The details of this will be worked out by the ministry-level subcommittee.

A reporter asked what measures would be used to make them purchase goods from us. Mr Phichai said that we do not want to apply pressure. We want to reach a compromise. We have already talked with the Japanese companies in Thailand. They have agreed to cooperate. It will be recommended that the Investment Promotion Board, which has representatives on the subcommittee, support the establishment of a diesel engine production plant in Thailand. Japan is interested in investing in this. Each year, we import 70,000 pickup trucks and other vehicles that use diesel engines. Thus, we have to spend another 10 billion baht a year to purchase parts and engines. If we had a plant in Thailand to produce diesel engines, this would help reduce the trade imbalance by 4 billion baht a year.

Mr Phichai also said that the white book has been published in two volumes. One volume is for general distribution. The other is a manual for the ministries, bureaus and departments. It contains our "tactics" and so he cannot discuss the contents. Mr Abe, the Japanese minister of foreign affairs, has expressed great interest in this white book since he feels that this is the first time that Thailand has tried to solve the trade problem in a systematic way.

Mr Phichai said that the subcommittee to Adjust the Structure of Thai-Japanese Trade Relations invited representatives from the Thai Contractors' Association and the Engineering Association of Thailand to attend this meeting. In the past, when loans have been requested from the Japanese O.A.C.F. and Jaika, they have set many conditions. An important condition is that Japanese construction companies have been given the jobs since they claim that Thai companies are inefficient. Thus, representatives from these two associations were invited to attend the meeting and confirm that Thai construction companies are capable of doing the work. This will be written in a report in order to counter Japanese charges. Mr Phichai said that in the negotiations to solve the trade problem with Japan, Japan has constantly tried to delay things and gain the advantage. Take purchasing gas from Thailand, for example. Japan has asked to purchase crude gas. We want to sell refined gas because we can get a better price for it. Besides this, crude gas can be refined into other products and used in other profitable ways. This is something about which we must be careful.

A reporter asked him his opinion about the matter of the Japanese prime minister asking the Japanese people to purchase more foreign goods in order to correct the trade imbalance. Mr Phichai said that based on a Japanese statement made at the beginning of April, he feels that Japan will open its markets only to the developed countries. This will not benefit developing countries such as Thailand. It is hoped that they will allow us to sell more of our agricultural products there. Mr Phichai said that the white book sets yearly targets for reducing the trade imbalance. In the past, plans have been made and targets have been set but results have not been scored because deceptive figures have been set. From now on, we will no longer deceive ourselves. We will set yearly targets based on the actual situation.

THAILAND

1ST CAVALRY DIVISION COMMANDER, SENATOR PROFILED

Bangkok DAILY NEWS in Thai 6 May 85 pp 5, 14

[DAILY NEWS Square column by Nanthana: "The Commander of the 1st Cavalry Division Is the Newest Senator:]

[Text] One of the 76 new senators is the commander of the 1st Cavalry Division, which is based at the Phokhun Phamuang Camp in Phetchabun Province. He is very familiar with this area because he participated in communist terrorist suppression operations when he was attached to the 6th Cavalry Battalion, a battalion which gained a good reputation. This man is Maj Gen Sathon Suwannapha.

Maj Gen Sathon Suwannapha was born on 14 September 1934 in Phetchaburi Province. His father, Mr Sin Suwannapha, was an official in the Thai Railway Department. His mother is Mrs Sangiam Suwannapha. He is the third of four children. His older brother, Maj Gen Suraphon Suwannapha, is an officer attached to Army Headquarters.

He attended primary school at the local government school at Wat Phanitthammikaram in Lopburi Province. He attended lower secondary school at the Amnuaisin Phra Nakhon School. He completed upper secondary school at Prince Royal Withayalai in Chiang Mai. He then entered the Army Preparatory School as a member of Class 11. In 1957, he entered the Chulachomklao Royal Military Academy, taking the 5-year course. That same year, he attended the Armored Vehicle School at the Cavalry Center.

As for education abroad, he attended the U.S. Army Infantry School in Georgia and the U.S. Army Logistics Administration Center in Virginia. He also attended the Army Staff College, Class 43, the Paratrooper School at the Special Warfare Center, Class 68, and the Armed Forces Staff College, Class 16.

His first assignment was an assistant instructor in the Automotive Department of the Armored Vehicle School at the Cavalry Center. He was then a sublieutenant. He was then made a tank platoon leader with the 4th Cavalry Battalion, 2nd Cavalry Regiment, Cavalry Division.

The Phothikanit communist terrorist suppression operation scored good results even though there were administrative problems and shortages of materials. Maj Gen Sathon considers that operation the real start of his military life in fighting for his country. That was the first time that he served as a leader in battle.

The communist situation in the north grew steadily worse. The battalions that had fought under the command of the Third Army Area needed a secondary command unit in order to achieve better results in the suppression operations. Thus, the army ordered Maj Gen Sathon to transfer forward forces of the 6th Cavalry Battalion, 2nd Cavalry Regiment, from Phetchabun Province to Nan Province. Even though the forces were far from home and had to fight constantly, because it knew its duty and was united, the 6th Cavalry Battalion under the command of Maj Gen Sathon scored good results in carrying out its duties and was recognized as the outstanding cavalry battalion. Then, Maj Gen Sathon was promoted and so had to be transferred. Because his academic record while attending the Army Staff College qualified him to serve as an instructor, he was made an administrative officer at the Institute of Army Academies. He taught there for approximately 7 years. After that, he served on the staff of Gen Prem Tinsulanon, who was then the assistant RTA CINC. He was then made the commander of the 2nd Cavalry Regiment at the Phichai Daphak Camp in Uttaradit Province. He also served as the commander of the Uttaradit Military District.

In 1983, he was attached to the 1st Cavalry Division at the Phokhun Phamuang Camp in Phetchabun Province. Even though this was a new unit, this was like "returning home" since he had once fought side-by-side with many of his subordinates in this area. As the commander of the 1st Cavalry Division, he has carried out his duties well. His superiors have confidence in him and have entrusted him with the task of supervising various royal projects in the area.

He is married to Dr Ramphai (Siphiphat) Suwannapha, an assistant professor in the Faculty of Medicine, Chulalongkorn University. They have two daughters, Rinsuk and Uasuk Suwannapha.

11943

CSO: 4207/207

THAILAND

BACKGROUND TO ALLEGED NAVY SMUGGLING

Bangkok NAEON in Thai 9 May 85 pp 1, 2, 10

[Article: "Navy Establishes Committee to Investigate Smuggling By Navy Ships"]

[Excerpt] There have been reports that Mr Kraisi Chatikawanit, the director-general of the Customs Department, has sent a report to Mr Phanat Simasathian, the under secretary of finance. The report stated that people are using large warships to transport large quantities of goods, including Mercedes Benz and Japanese cars, electrical appliances and consumer goods, without paying taxes to the Customs Department. The Customs Department has pictures as evidence of what has been going on. During the months of March and April, seven warships were used to transport such goods.

At Navy Headquarters on the morning of 8 May, Admiral Niphon Sirithon, the RTN CINC, held a meeting with senior officers in order to discuss this matter. At 1100 hours, Admiral Niphon announced to the mass media that based on the regulations for bringing in goods from abroad, military police are to make the initial inspection. After that, the ship's captain will make another inspection. This regulation is to be used at all ports. That is, inspections will be made to determine whether the goods brought in are on the cargo manifest. However, in order to avoid criticism, the navy asks customs officials to join in the inspections, too. Following that, the taxes are paid in accord with the regulations. Taxes are collected based on tonnage.

Admiral Niphon said that recently, five warships, that is, the Thalang, the Songkhla, the Withayakhom, the Hanhaksatru and the Phuket, went to participate in a joint naval exercise, "Singsiam 85," with Singapore. The ships returned home on 5 April. All of the ships, except the Thalang, are attack boats with a displacement of 300-400 tons. The Thalang has a displacement of 800-1,000 tons. It would be difficult to transport vehicles because of the small load capacity. As for pots and pans, radios and electrical appliances, it is common for sailors to bring back a few such items. But because each ship has a large number of sailors, it seems that they bring back large quantities

of goods. It has been stipulated that each person may bring back no more than one item, and the customs tax must be paid. Just after these five ships returned, they had to go participate in a naval exercise at Sattahip on 4 May. At the conclusion of this exercise, they had to form a flotilla for another 7 days. It was during this period that the Customs Department sent its letter.

The letter stated that the five warships left Singapore on 5 April 1985 with a large quantity of goods. The Customs Department learned that merchants in Thailand put up the money to purchase these goods, which included vehicle parts, electrical appliances, eyeglass frames and canned goods. Tax was supposed to be paid on these goods. The captains of the five ships were asked to help collect the tax owed for the benefit of the nation and to help prevent corrupt people from making illegal use of the honor and prestige of the Royal Thai Navy. The captains of the ships were asked to prepare a list of the goods actually brought in and send it to the Control and Suppression Division, Customs Department, immediately on arrival in Thailand. The letter was signed by M.R.W. Chiwasawichakon Worawan, the deputy director-general of the Customs Department, on behalf of the director-general.

The RTN CINC said that after he received this letter, officials forwarded the letter to the Navy Personnel Department, and the captains of the warships were informed. Following that, a copy was sent to the Royal Thai Fleet. The RTN CINC was informed of this on 16 April. Taxes are now being paid. But there have been reports that taxes have not been paid on large quantities of goods and that this has damaged the navy. Besides this, the fighting at the front continues. Thus, it is very distressing when people in the rear do such things. Everyone should think about this.

A reporter asked whether this had ever happened before. Admiral Niphon said that the Customs Department had sent a letter on a previous occasion. But the navy has regulations on the purchase of goods. As for the reports that have come out, he has established a committee to investigate the matter. The committee has been ordered to investigate all aspects of this. A reporter asked if this had resulted because of a conflict. The RTN CINC said that he does not know if the reports are true. An investigation must be conducted. He will issue another statement after an investigation has been made. He was asked whether the navy and the Customs Department had ever had a dispute. Admiral Niphon said that the navy does not interfere with anyone. When asked whether such reports have been released with the intention of damaging the navy, Admiral Niphon said that that is a possibility. Because when such reports appear in the newspapers, it is damaging to the navy. This may be the work of a "third hand" that wants to cause trouble.

"I want to say that this actually took place, and the matter must be handled based on the regulations," said Gen Prem Tinsulanon, the prime minister, to reporters on the morning of 8 May at the Government House in response to questions about navy personnel using navy ships to smuggle in goods.

Mr Sommai Huntrakun, the minister of finance, said that if this is true, action must be taken based on Ministry of Finance regulations. There can be no exceptions.

In response to reporters' questions on the morning of 8 May, the minister of finance said that the Customs Department has evidence and pictures. The captains of the ships involved should declare what goods were brought back in accord with the regulations. The excess goods pose a problem. The navy personnel will have to clear things, said Mr Sommai.

A reporter asked whether a large quantity of goods was involved. Mr Sommai said that different people have said different things. When asked whether vehicles had been brought back, he said that "I can't remember. As far as I know, the answer is no. Most are electrical appliances and video players."

As for what further action will be taken, the minister of finance said that the matter must be discussed in order to determine the best course of action based on the regulations. A reporter asked whether the Ministry of Finance would make any exceptions to the regulations. Mr Sommai said that no exceptions could be made. If goods are actually being smuggling in, this must be discussed with others since we do not want to take resolute action.

11943

CSO: 4207/207

INTERNATIONAL RELATIONS, TRADE AND AID

NHAN DAN DISCUSSES COOPERATION WITH LAOS

BK221032 Hanoi Domestic Service in Vietnamese 2205 GMT 21 May 85

[From the review of NHAN DAN for 22 May]

[Text] Today's paper carries on page 3 an article by (Tran Quoc Manh), deputy head of the committee for scientific, technical, and cultural cooperation with Laos and Cambodia, under the heading: Vietnam-Laos Cooperation Is Increasingly Fruitful.

The article says that the relations of solidarity, cooperation, and mutual assistance between Vietnam and Laos have long existed. Particularly since the three Indochinese countries' summit, the issue of economic and cultural cooperation has considerably developed in each respective country, with committees and subcommittees for economic and cultural cooperation--specifically charged with developing economic, cultural, scientific, and technical cooperation between the two countries--being set up.

The formulation of guidelines, policies, scope, principles, procedures, and other specific forms and policies of cooperation paves the way for and promotes cooperation between the two sides, gradually systematizing cooperation.

The article further says that in the next few years the two countries will concentrate on cooperating with each other to implement the primary, urgent tasks to resolve the problems of food and food products by helping each other carry out the intensive cultivation of crops; apply scientific and technical innovations; build and consolidate a network of communications, build small- and medium-size industries in support of agriculture, forestry, and the production of consumer and export goods; train cadres and workers; exchange capital survey experts so as to set up plans for cooperation in exploiting the potential of both sides in the most satisfactory manner; and develop communications in each individual country, linking the two countries to each other.

CSO: 4209/411

INTERNATIONAL RELATIONS, TRADE AND AID

BOLIVIAN, SALVADORAN COMMUNISTS SEND GREETINGS

BK231446 Hanoi Domestic Service in Vietnamese 1430 GMT 22 May 85

[Text] On the occasion of the 10th anniversary of the 30 April victory, the Bolivian Communist Party Central Committee and Jorge Schafick Handal, general secretary of the Salvadoran Communist Party Central Committee, have sent messages of greetings to our party Central Committee.

The Bolivian Communist Party's message says: With profound emotion, the Bolivian communists greet the 10th anniversary of Vietnam's success in overthrowing the U.S. lackey puppet government in the south, thus liberating this part of the country completely. The complete liberation of the southern part of Vietnam was a resounding epic in the world. In the protracted and painful struggle of 10,000 days, the Vietnamese people proved that the spiritual and ideological superiority of a nation in its struggle for freedom was stronger than the material might of a most prosperous and powerful imperialist country.

The message from Comrade Jorge Schafick Handal reads: The April 1975 victory was a glorious day in modern history, as it began a new page in history. [passage indistinct]

We hold in high regard the historical stature and great significance of the 30 April 1975 victory, as well as the clear-sighted leading role of the CPV in the fighting. [passage indistinct]

On the occasion of the 10th anniversary of Vietnam's victory over the U.S. imperialists, with special affection and profound respect, we remember President Ho Chi Minh and tens of thousands of heroic Vietnamese combatants who sacrificed their lives for the cause of national liberation. We also think of the competently experienced leaders of the Communist Party and people of Vietnam.

CSO: 4209/411

INTERNATIONAL RELATIONS, TRADE AND AID

BRIEFS

FOREIGN COMMENT ON JOSE MARTI RADIO--As we have reported, after the Cuban Government issued a statement denouncing the U.S. administration's decision to start the broadcasts of the so-called Jose Marti Radio Station for the purpose of releasing anti-Cuban propaganda, broad sections of progressive public opinion in the world have voiced their support for the Cuban Government and denounced this crude action by the United States. The Soviet newspaper PRAVDA ran a commentary pointing out: The radio war launched by Washington against Cuba once again shows that the United States must be held responsible for making the international situation more tense. In its commentary, the Czechoslovak newspaper RUDE PRAVO said: The setting up of an anti-Cuban radio station indicates that the United States has failed in its scheme to undermine the process of socialist construction in Cuba and to oppose the progressive movement in Latin America. [Text] [Hanoi Domestic Service in Vietnamese 2300 GMT 23 May 85]

JOURNALISTS' GROUP ON RADIO MARTI--The International Organization of Journalists has criticized the Reagan administration for starting the Jose Marti Radio broadcast to aggravate the already tense situation in Latin America and the Caribbean region. In a statement released in Prague on Thursday, the organization said: This psychological warfare is a brazen act of interference in Cuban internal affairs and a violation of Cuban sovereignty. [Text] [Hanoi International Service in English 1000 GMT 25 May 85]

MOZAMBICAN SOLIDARITY--Hanoi, 26 May (VNA)--The Mozambican Committee for Solidarity With Other Peoples held at the 4th district under the green belt in Maputo on 22 May a meeting voicing Mozambique's solidarity with Vietnam on the occasion of the week of solidarity with the world people. The meeting was attended by the Vietnamese ambassador to Mozambique, the director of the green belt, the secretary and president of the 4th district, a representative of the Foreign Ministry and a delegation of Vietnamese agricultural experts. Addressing the meeting, the director of the green belt said he highly valued the friendship and solidarity between the two countries. He said that the Vietnamese experts' effective assistance in the past year was a manifestation of the Vietnamese people's militant solidarity with the Mozambican people in their present national construction as well as in their past struggle for national liberation. [Text] [Hanoi VNA in English 1451 GMT 26 May 85]

OUTGOING DUTCH ENVOY--Hanoi, 27 May (VNA)--Ambassador Extraordinary and Plenipotentiary of the Netherlands Piet-Hein Houben today paid farewell visits respectively to Pham Van Dong, chairman of the Council of Ministers and Nguyen Huu Tho, vice president of the State Council and chairman of the National Assembly, before his departure for home for a new mission. The Vietnamese leaders had cordial conversations with the Dutch diplomat.  
[Text] [Hanoi VNA in English 1659 GMT 27 May 85]

CSO: 4200/978

PARTY ACTIVITIES AND GOVERNMENT

TRUONG CHINH FETED AT 22 MAY VIENTIANE RECEPTION

BK230101 Hanoi Domestic Service in Vietnamese 2300 GMT 22 May 85

[Text] Comrade Souphanouvong, member of the LPRP Central Committee Political Bureau and president of the LPDR, hosted a grand reception at the LPRP Central Committee's headquarters on the evening of 22 May to welcome Comrade Truong Chinh, member of the CPV Central Committee Political Bureau, chairman of the Council of State, head delegate, and other comrades of our party and state delegation currently paying an official friendship visit to the LPDR.

Comrade Kaysone Phomvihan, general secretary of the LPRP Central Committee, attended. Also on hand on the Lao side were Comrades Nouhak Phoumsavan, Phoumi Vongvichit, Khamtai Siphandon, Phoun Sipaseut, Sali Vongkhamsao, Sisavat Keobounphan, Saman Vi-gnaket, Maichantan Sengmani, and many other comrade members of the LPRP Central Committee and the SPC, ministers and deputy ministers, generals and other high-ranking officers of the Lao People's Army, and representatives of the various organs and mass organizations at the central level and in Vientiane.

Present on the Vietnamese side were Ambassador Nguyen Xuan; Dam Xuan Dung, economic and cultural representative; and representatives of our country's specialists in Laos.

President Souphanouvong and Chairman Truong Chinh made speeches during the reception. In an atmosphere filled with the Lao-Vietnamese special solidarity, Comrade Kaysone Phomvihan, President Souphanouvong, and others proposed toasts to the ever strengthening and fine development of the Laos-Vietnam and Laos-Vietnam-Cambodia special relations of friendship and all-round cooperation.

CSO: 4209/411

PARTY ACTIVITIES AND GOVERNMENT

PHAM HUNG DECORATES SECURITY FORCE MEMBERS

BK210942 Hanoi Domestic Service in Vietnamese 1430 GMT 20 May 85

[Text] The Interior Ministry held a ceremony on 20 May to confer orders and medals awarded by the Council of State to officers and combatants of the people's public security force. Pham Hung, member of the CPV Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of interior, attended the ceremony.

Comrade Pham Hung conferred the Resistance Order, First Class on Tran Quyet, member of the CPV Central Committee and vice minister of interior; Tran Dong, member of the CPV Central Committee and vice minister of interior; Nguyen Minh Tien, vice minister of interior; and (Quach Qui Hoi), secretary of party committee of the Interior Ministry organization.

Comrade Pham Hung afterward urged officers and combatants of the people's public security force to resolutely and firmly maintain security and social order, contribute to firmly defending the socialist fatherland, and triumphantly build socialism. He pointed out: As officers and combatants of the public security force and cadres and members of the glorious CPV, we must do our best to maintain our party's leadership role in scoring victories for our revolution and people. Political security and social order and safety strongly affect socioeconomic development and improvement of the management apparatus. For this reason, we must clearly realize this fact and organize activities of the public security force to realistically serve important tasks of the revolution in the current stage.

CSO: 4209/411

PARTY ACTIVITIES AND GOVERNMENT

LE DUAN VISITS VUNG TAU-CON DAO SPECIAL ZONE

OW211800 Hanoi VNA in English 1615 GMT 21 May 85

[Text] Hanoi, 21 May (VNA)--Le Duan, general secretary of the Communist Party of Vietnam Central Committee, recently visited the Vung Tau-Con Dao Special Zone, more than 100 km east of Ho Chi Minh City. A consumer city and an important military base of the U.S. puppet regime before liberation, Vung Tau is now becoming a major centre of Vietnam's young natural gas and oil industry, a tourist centre, a fishing port with a capacity of 35,000 tons a year and an outpost of Ho Chi Minh City. General Secretary Le Duan toured the oil production technical centre, the port, a shrimp farm, the exhibition of socioeconomic achievements, the park and some servicing establishments.

Speaking at a conference on party building work of the local party organization, the general secretary laid emphasis on the responsibility of the zone in stepping up preparations for the early extraction of natural gas and oil and making it a key branch of heavy industry of Vietnam.

Le Duan was briefed by leading officials of the General Department for Natural Gas and Oil on the latest developments of the prospection of gas and oil in the south, and received a team of Soviet experts and workers working at the Vietxo [as received] Petro Enterprise. He heard a report of the enterprise's general director, Arjanov, on the encouraging results and bright prospects in the prospection and preparations for exploitation of natural gas and oil in Vung Tau as well as the immediate difficulties which need joint efforts to overcome.

The general secretary expressed deep gratitude to the Soviet Union for its great assistance extended to Vietnam during its war of resistance in the past and its national construction and defence at present. He thanked all the Soviet cadres, engineers and workers who are making direct contributions to the building of Vietnam's gas and oil industry. General Secretary Le Duan stressed that the close and comprehensive cooperation between the Soviet Union and Vietnam is a guarantee for peace and stability, for independence, freedom and social progress of the countries in Southeast Asia and the peoples in the whole Asia-Pacific region.

CSO: 4200/978

PARTY ACTIVITIES AND GOVERNMENT

NHAN DAN CRITICIZES LOSS, WASTE OF GRAIN

BK201425 Hanoi NHAN DAN in Vietnamese 27 Apr 85 pp 1, 4

[NHAN DAN 27 April editorial: "Strictly Economize on Grain"]

[Text] In recent years, progress has been made in grain production with an enormous increase in annual output. However, this progress is not steady and still cannot meet society's consumption needs. Meanwhile, shortcomings in management, procurement, transportation, storage, preservation, distribution, and consumption have resulted in substantial loss and waste of grain. By reducing this loss and waste by just a few percent we can have tens of thousands of metric tons more of grain.

Comrade Le Duan, general secretary of the party, said: "Production must be carried out, and thrift must be practiced in both production and consumption. It is necessary for consumption to stay within the limits that production permits, and for consumption habits that are inconsistent with our economy's level of development and our people's tradition of diligence and thrift to be resolutely changed."

To economize on grain, we must first reduce and then eliminate loss and waste while preserving, delivering, transporting, processing, and distributing. Loss and waste usually account for 62-80 percent of the total shortfall of grain. While transporting grain for the state, many vessels and trucks have lost as much as 10 or even 15 percent of the loads without knowing the causes of the loss. The time the loads are transported does not accord with the contract, while the weight of the grain at receiving time differs from that at shipping time. Due to simple and perfunctory shipping and receiving procedures, a relatively large quantity of grain has been lost or stolen while in the process of loading and unloading.

The communications, transportation, and grain sectors must ensure rigorous control over the transportation of grain, expand the application of weighing procedures at both the shipping and receiving ends of grain supply, and add to the owners' responsibility of transporting the goods that of insuring the safety of the goods. They must also apply the socialist management and accounting systems, charge on the basis of the actual quantity of grain that has been delivered to the grain sector, and deal

with and adequately compensate for any shortfall or loss. Efforts should be made, especially by trucks and vessels operating on long routes, to obtain all the necessary means and tools to protect grain against humidity. At various major shipping and receiving terminals, we must have more warehouses, tarpaulins, and large bags to protect grain against rain, wind, and theft. It is necessary to reexamine the grain rationing quotas that exceed the needs of the recipients to prevent the use of surplus grain for resale or livestock breeding purposes. There are even unfair and irrational quotas that allow an ordinary laborer to receive more grain than an engineer and to have surplus grain for resale.

The need to economize on grain is also very great in work related to distribution and consumption. Distribution should be carried out in combination with efforts to regularly examine and readjust the rationing quotas for all types of laborers so as to promptly detect false declarations by recipients buying grain and establishing slush funds. Laxity in management, the application of wrong systems, the establishment of grain distribution records for nonexistent recipients, and the consideration of the use of state-owned grain as a means to improve the living conditions of one's own unit must end. It is necessary to eliminate the methods of distributing grain through subsidization and on an equal basis, methods that neither encourage laborers to perform their work well nor help mobilize the creativity of the grass-roots level, but create loopholes that bad elements exploit.

Resolute efforts must be made to suspend or reduce allowances for those who use grain at variance with the system prescribed by the state; to collect reimbursements from those who use grain in excess of the established quotas; and to take legal steps against grain hoarders, speculators, and traders, as well as against those who use grain wastefully for distilling wine, making noodles, and producing cakes without permission. The grain sector must overcome the irresponsible attitude of considering their task done after the grain has been distributed, without caring whether or not it is being used correctly. Strict criteria must be observed in considering and approving the distribution of grain; and it is necessary to improve upon sales and do away with negative practices such as distributing grain not in accordance with the branches and trades or with the work results of the laborers, selling grain in excess of quotas, colluding with traders in siphoning off grain onto the free market, and so forth. Through distribution, the grain sector can contribute to labor management and play an instrumental role in organizing the rational use of grain and labor in society as a whole.

On the national scale, the use of grain is generally still subjected to serious waste and is not truly equitable between one sector and another or between one person and another. Steps must be taken to end this situation promptly. The state marketable grain reserves must be closely controlled and distributed in a strict and economical manner for the purpose of stabilizing the livelihood of cadres, workers, state employees, and members of the armed forces; developing the various sectors and new economic zones; and creating ever-greater grain reserves to meet the demands of socialist industrialization.

Economy, first of all economy of grain, not only has great significance toward the exploitation of economic potentials, but it also reflects socialist quality and ethics. We must voluntarily use grain in accordance with the results of our labor, develop a sense of thrift in all places and at all times, and build up our grain reserves from which the state can borrow. Party committee echelons and administrative bodies at all levels should strengthen their leadership in the struggle to put an end to the extravagant and wasteful consumption of food during conferences, festivals, funerals, and wedding ceremonies; severely punish those who steal grain or deliberately sabotage the distribution of grain; and promptly praise positive factors and a healthy, diligent, thrifty, and modest lifestyle.

Wherever grain is produced, distributed, and consumed, education and control must be instituted to ensure that it is used appropriately and with utmost economy.

CSO: 4209/411

## PHAM VAN DONG'S ADDRESS AT FORESTRY CONFERENCE

BK220703 Hanoi NHAN DAN in Vietnamese 24 Apr 85 pp 1, 4

[Address by Pham Van Dong, chairman of SRV Council of Ministers, at 10-13 April Hanoi conference held by the Ministry of Forestry--date of address not given]

[Text] Dear comrades, I am happy to learn that in recent years, especially since the conference on hills and forests held in Vinh Phu in November 1983, the entire forestry sector as well as all localities have made an effort to forge ahead and overcome numerous difficulties, thereby advancing afforestation a new step further.

I should say straightaway that I have followed and studied with great attention the experiences and achievements of the people and various units in afforestation. Although it is not the time now to sum up these experiences and accomplishments, I think it is necessary to point out the following two lessons:

The first lesson concerns viewpoint and work method. This is the viewpoint and work method of combining forestry with agriculture and vice versa. It took many years and we had to pay a price before we were able to change our old ways of thinking and work methods and determine this revolutionary, scientific, and strategically important mode of production. In the past, when one spoke of forests, one thought at once of mountainous regions, as if forests and forestry could exist only in these regions, and as if agriculture could not develop on forested land and afforestation were impossible on agricultural land. Today, owing to the combination of forestry and agriculture and vice versa, the natural forests in mountainous regions have not only been protected and improved but have also been expanded. The planting of new forests has been carried out throughout the country--from the midlands and the deltas to the coastal areas--in accordance with highly diversified models.

In those places where forestry has been adopted as the principal activity, people have not only carried out afforestation just to cover their land with vegetation but also have planted trees that have great economic value and are suited to the ecological conditions of each area, such as cinnamon, rubber trees, tea, coconut palms, paper pulp trees, fiber trees, mulberries,

and so forth. They have chosen trees that differ in height for planting to make optimal use of space. When the canopy of leaves has not fully covered the ground in the forest, people have made the fullest use of land by growing short-term crops that produce food while helping to improve the soil.

In those places where agriculture is the mainstay, people have grown rice, corn, sweet potato, beans, groundnuts, and so forth. At the same time, they have planted trees on plot dividers and roadsides to obtain timber and firewood and promote flood control.

Many localities have even combined forestry and agriculture with fishery by promoting activities such as raising shrimp and fish in canals and ditches along the coastal areas or in ponds in the plains. They have also taken advantage of favorable terrain conditions in the midlands and mountainous regions to build dams and lakes to promote fish raising and the construction of water conservancy and hydroelectric power projects. The combination of forestry and agricultural activities with hog, chicken, and cattle raising has been carried out fairly widely. Where good pastures exist, people have organized the farming of milk cows and buffalo....

What an amazing show of intelligence and creativity! This production formula has given a [feeling] to and created favorable conditions for the development of sectors and trades related to the processing of agricultural and forest products and other sectors such as handicrafts, small industry, food industry, light industry, and engineering, so as to produce large quantities of consumer goods for domestic consumption and for export. This method of combining forestry, agriculture, fishery, and industry can attract increasing numbers of workers and permits a new division of labor and a redistribution of the work force, thereby turning many previously wild areas into new population centers.

If we follow this work method and adhere to the concept that intensive cultivation must be practiced right from the beginning in any place, in planting any crop, and in raising any animal, we will derive very great economic benefits that will help gradually and satisfactorily resolve the problems of food, clothing, housing, transportation, education, and health care of the people, thereby raising their standard of living and creating a fine environment and harmony between people and nature in the country.

The second lesson involves the work force and incentive policies. The various party committee echelons, administrative bodies, mass organizations, army units, schools, and so forth have successfully developed a new concept both in width and in depth about the importance and the great benefits of tree planting and afforestation and of the combination of forestry with agriculture or vice versa. This change in concept is of revolutionary significance. Instead of considering that forests belong to the state and that forestry work is carried out chiefly by state-run enterprises, we, trusting and relying on the people, now have placed forests and forest lands under the people's mastery and, at the same time, adopted suitable

policies designed to give them material incentives, thus prompting broad sections of the masses and large numbers of economic and social organizations to participate in tree planting and afforestation with singular work methods.

We have placed forests under the district's management and allocated forests and forest lands to cooperatives, state organs, army units, schools, and families for business purposes. We have also harmoniously resolved the relations among the entire country, the localities, and grassroots units; defined the obligations and interests of those who are engaged in tree planting and afforestation, including the right to enjoy long-term benefits from and the right to inheritance on each plot of land and each section of forest; and combined the development of forestry with the movement for settled farming and a settled life with the aim of attracting local labor. Efforts have been made to readjust and redistribute the population and organize a new life so as to develop man's close attachment to trees and forests.

The policies of placing forests and forest land under the people's mastery and appropriately ensuring benefits for those engaged in tree planting and afforestation have initially given rise to a mass revolutionary movement and made an important contribution to the overfulfillment of the afforestation target adopted by the Fifth Party Congress for the current 5-year plan (1981-85) with better quality than previously.

The lessons mentioned above have been vividly demonstrated by many models in virtually every part of our country. After Vinh Phu Province, which adopted different formats for the allocation of lands and forests and for covering open lands and barren hills with greenery, Quang Ninh is one of the provinces that have boldly decentralized forestry management to the district level in a comprehensive manner; adopted regulations defining the responsibility, obligations, and benefits of those engaged in afforestation; and given assistance and encouragement to the people in forestry work, thereby ensuring satisfactory preservation and development of forest resources. Binh Tri Thien and other provinces in the central coastal region have taken advantage of their favorable conditions concerning labor to speed up the process of covering their coastal sand dunes with greenery and gradually plant trees in the open lands and barren hills that lie in the west. Thanks to afforestation efforts, many localities have been able to rapidly do away with the ruins of war in large areas. Quang Nam-Danang Province has, since liberation day, planted 25,000 hectares of forest and 200 million trees. Ho Chi Minh City and the provinces in western Nam Bo have spent hundreds of millions of dong from local funds to plant tens of thousands of hectares annually of mangroves, indigo plants, santalum album, and so forth in acid and alkaline soil; and adopted various combinations of agriculture, forestry, and marine products with good results.

Beside the districts noted for their success in tree planting and forest preservation such as Doan Hung (Vinh Phu), Ly Nhan (Ha Nam Ninh), Trieu Hai and A Luoi (Binh Tri Thien), Thang Binh (Quang Nam-Danang), and so forth, many other districts such as Chiem Hoa (Ha Tuyen), Tran Yen

(Hoang Lien Son), Gia Lam (Hanoi), U Minh (Minh Hai), Long Thanh (Dong Nai), and so on have set good examples in the allocation of lands and forests and in planning production along the line of combining agriculture with forestry or combining forestry with agriculture and marine products; and they have devised a contract program designed to encourage tree planting and protection and afforestation. The Binh Duong cooperative (Thang Binh District, Quang Nam-Danang) has earned an annual income of 4-5 million dong from three planting activities. An old woman more than 70 years old there has planted more than 32,000 juniper trees on sand and has earned 150,000 dong from only 750 of those trees. Thus, it is practically possible to create capital and increase income by planting trees and carrying out afforestation; and this can be accomplished in any locality.

Many state-run units such as forestry-agriculture-industry combines, state forests, and state farms have, thanks to the good practice of combining forestry with agriculture, succeeded in producing sufficient grain and food to meet the local demand, drawn the participation of many people in various aspects of forestry work, promoted settled farming and a settled life, and curbed the destruction of forests. Typical of them is the Trem River forestry and fishery enterprise (Minh Hai) which has ingeniously combined forestry with agriculture and marine products and employed state-run and collectivized units as well as private households in forestry work, planting trees while raising bees, shrimp, fish, and so forth. Instead of running up losses as it did previously, the enterprise has operated at a profit. It has paid off its debts to the state and turned over more than 2.4 million dong annually to the state budget. The Hieu Liem state farm (Dong Nai)--thanks to its efforts to exploit the lands, engage in comprehensive production, combine production with processing, develop the various branches and trades, and rapidly increase the accumulation of capital for expanded reproduction--has annually exceeded its afforestation and forestry output targets. Its sources of income are growing steadily, and the living conditions of its workers and employees have improved.

Tree planting activities by teachers and students of various schools, especially by those of the Con Tien school (Binh Tri Thien), have been jointly developed by the Ministries of Forestry and Education into a 10-year (1985-1995) tree-planting movement under which tree planting is linked with vocational training and under which millions of students and teachers throughout the nation have been mustered to plant trees so as to meet requirements for timber of their own schools and to materialize the motto of "building decent-looking schools and classrooms."

The armed forces' movement to accept the assignment of forests and land for protection and afforestation has developed in a fairly good manner. Group "A" (Lang Son), Unit "B" (Quang Ninh), Unit "C" (Dac Lac), and so forth have been exemplary in carrying out the policy of combining economic construction with national defense and linking combat and combat-readiness tasks with efforts to protect and restore jungles and carry out tree planting, afforestation, and forestry production and trade.

Along with developing the encouraging achievements cited above, we must struggle even harder to overcome our weaknesses and deficiencies which, in certain domains, have been regarded as serious.

Forest fires and such disastrous practices as reclaiming land from jungles and breaking virgin land and then leaving it uncultivated have continued to exist. The area of slash-and-burn nomadic cultivation is still large. So is the area of glades and bare hills. In the forestry sector, there still exists the state of indiscriminate logging, unsatisfactory processing of timber, wasteful use of timber, and failure to make full use of timber to turn out more products to serve the people's welfare. Forestry products and indigenous products which are regarded as a great source of exports have not yet been given appropriate attention. The bringing of all timber processing activities under the forestry sector's unified control has been carried out in a sluggish fashion. Discipline on the delivery of forestry product has not yet been strictly observed. A number of localities have held back large quantities of timber for their own use, thus adversely affecting the general supply plan to meet the country's requirements.

As already stated above, tree-planting and afforestation activities have shown new, positive and promising developments and at the same time have also posed many problems to be solved. Above all, we must take all necessary measures to avert and put an end to the practice of forest destruction under any form. It is necessary to carry out satisfactorily the assignment of land and forests to districts, cooperatives, public organs, military units, schools, and individual laborers for management and exploitation.

We must formulate a plan to preserve and zone off precious forest areas which are beneficial to scientific research and natural preservation. We must establish off-limits forestry zones and national parks and preserve rare plants and animals for sight-seeing, research, and tourism purposes. We must duly punish those who fell trees, especially precious trees.

At present, our country's timber reserve is quite small, while the people's demand for timber is increasingly large. For this reason, we must formulate a plan to balance the use of timber by designing measures to simultaneously supply timber and accelerate afforestation, while vigorously developing the wood processing industry in order to use timber in the most economical way. The most important task is to lead the people to plant trees and accelerate afforestation in localities throughout the country. We have many afforestation models as mentioned above, meeting local demands for firewood, plank wood, wooden furniture, and other woodwork. We must increase these models and use them widely in all localities.

A pressing problem at present is to rearrange the production force, redistribute labor, and relocate the population on the national scale and at provincial and district levels in a balancing manner in order to exploit the land, serve socioeconomic development tasks, and strengthen national defense. At present, 50 percent of the population live in provinces in the Red River and Mekong River deltas, a total area of only

about 5 million hectares of land, while the other 50 percent live in mountain and midlands provinces, a total area of more than 28 million hectares or 85 percent of the natural land. Tasks concerning afforestation can attract large numbers in the labor force. We must realize that land is a valuable production material. Any kind of land if used rationally or used for intensive cultivation at the beginning, will produce abundant agricultural products. As a result, we must mobilize the labor force to exploit millions of hectares of fallow land in order to accumulate more wealth for the country. This is a large-scale socioeconomic development program to be carried out over a period of years. The forestry sector and localities must formulate plans for the country and for each locality and organize the gradual implementation of these plans. Urban places with favorable conditions must carry out this task first, while remote areas with unfavorable conditions can carry it out on a later date.

Tasks concerning afforestation demand a mobilization of the mass revolutionary forces and a seething, sustained, and comprehensive emulation movement. In carrying out these tasks, we are proud that although our country is still poor economically, it is rich in natural resources, with tropical forests fresh and green throughout the four seasons. At present, the world is very much concerned about the severely polluted living environment, the continued destruction of forests, and desert soil which is expanding to vast areas. Firmly grasping President Ho Chi Minh's teaching on planting trees and afforestation, let us strive to create in our country fresher and more beautiful natural scenes, increase the interest in afforestation, and create a better environment for our people's daily life.

CSO: 4209/411

PARTY ACTIVITIES AND GOVERNMENT

FORESTRY MINISTER ON INTENSIFYING ARBOR MOVEMENT

OW251111 Hanoi VNA in English 0749 GMT 25 May 85

[Text] Hanoi, 25 May (VNA)--In response to the 1985 international year of forestry and to speed up the current arbor movement in Vietnam, Minister of Forestry Pham Xuan Dot writes an article published yesterday in the daily NHAN DAN; following are excerpts:

...Vietnam is situated in a humid tropical monsoon area with a lush vegetation which gives flowers and fruits all the year round. However, Vietnam now has only 7.8 million hectares of natural forests, or more than a half the 1945 figure. This means that over the past 40 years 180,000 hectares of forests have been destroyed each year.

...The decrease of the forest area in Vietnam is a serious consequence of the war which has ravaged Vietnam for over 30 years especially of U.S. toxic chemicals which destroyed over two million hectares of forest in South Vietnam alone.

After the war, the demand for forestry materials became urgent in view of national reconstruction.

The Vietnamese party and state have paid great attention to the protection of forests. The National Assembly has issued a decree on this work and the Ministry of Forestry has worked out many measures to prevent the shrinking of forest lands.

In response to the international year of forestry this year, an arbor movement was launched in southern Vietnam provinces on the occasion of President Ho Chi Minh's 95th birthday (19 May).

Bearing in their minds and implementing his teaching that "forests are as precious as gold if we know how to protect and develop them" the people in southern provinces have since liberation taken an active part in the tree planting drive. They have planted assorted trees on over 400,000 hectares of forests and some two billion trees in scattered areas.

People have returned to areas ravaged by U.S. and Saigon troops, planted trees, built houses and restored production.

Applying the combined agriculture-forestry-fishery formula, many rural areas have become self-sufficient in firewood and timber. In addition, they have orchards and paddy fields.

Owing to the arbor movement, many districts such as Thang Binh (Quang Nam-Danang), Trieu Hai (Binh Tri Thien) and Duyen Hai (Ho Chi Minh City) as well as many state farms, plantations, public offices and schools have reclaimed waste lands and improved the environment fulfilling important tasks assigned by the state.

The latter plans to step up forest protection and the arbor movement and to combine the transfer of land and forest to the people for management with the policy of material incentives to encourage the people to take care of and protect forests and plant more trees.

This policy is aimed at achieving the plan to grow 110,000 hectares of forests and 400 million trees in 1985 and create the material basis for the arbor movement in the coming years.

CSO: 4200/978

PARTY ACTIVITIES AND GOVERNMENT

TRUONG CHINH ON SCIENCE INSTITUTE ANNIVERSARY

BK211038 Hanoi Domestic Service in Vietnamese 2300 GMT 20 May 85

[Text of SRV Council of State Chairman Truong Chinh's 20 May letter to "cadres, workers, and personnel" of Vietnam Institute of Science on institute's 10th anniversary]

[Text] Dear cadres, workers, and personnel of the Vietnam Institute of Science:

On the occasion of the 10th anniversary of the founding of the Vietnam Institute of Science, I would like to convey to all of you the warm greetings and kind regards of the party Central Committee, the National Assembly, the Council of State, and the Council of Ministers.

The birth of the Vietnam Institute of Science--our country's natural and technical science research center--shortly after the complete liberation of the country was an event of great significance that marked a new stage of development of our science. It was also the result of the successful implementation of the line on scientific and technical development laid down by the Fourth National Party Congress and the result of the persistent effort to develop our scientific and technical potential for several decades during the wars of resistance against the French colonialists and U.S. imperialist aggressors.

Over the past 10 years, our party and state have paid great attention to creating favorable conditions for the Vietnam Institute of Science to mature rapidly. Meanwhile, all cadres, workers, and personnel of the institute have exerted efforts to overcome all difficulties. Through its cooperation with other scientific and technical establishments in the country and thanks to the valuable assistance of the academies of sciences of the Soviet Union and other socialist countries, the Vietnam Institute of Science has been able to develop itself while conducting scientific and technical research and applying science and technology to support the building of socialism and defense of the socialist Vietnamese fatherland. The institute has also recorded many encouraging initial successes.

On behalf of the party and the state, I would like to convey my warm commendation to all cadres, workers, and personnel of the institute.

Dear comrades, in its fourth and fifth congresses, the party laid down the line for the socialist revolution in our country and pointed out that the scientific and technical revolution is the one that plays the key role among the three revolutions--the revolution in production relations, the scientific and technical revolution, and the ideological and cultural revolution. As the country's natural and technical science research center, the Vietnam Institute of Science has the great honor of being a leading organ while undertaking a weighty responsibility in the implementation of the party's line and policies on science and technology.

It is necessary for you, comrades, to constantly uphold your working spirit and improve your political and professional background, thoroughly understand and turn the party's revolutionary line and scientific and technical development line into concrete programs and plans for the research and application of science and technology, and ensure that these programs and plans are successfully carried out. Scientific and technical research and the training of cadres of the institute must be carried out in a most practical way and in close combination with production, life, and national defense. It is necessary to proceed from reality to serve reality and, on that basis, gradually develop and strengthen the Vietnamese science and technology. We must also strive to achieve an ever higher level of knowledge to contribute to the successful building of our country's advanced science, thus satisfying all the needs arising from national construction and defense.

On this occasion, I cordially wish that all cadres, workers, and personnel of the Vietnam Institute of Science will unite in their struggle to overcome all difficulties so as to fulfill the glorious tasks entrusted by our party, state, and people.

May I wish you, comrades, good health and success.

My cordial salutation.

[Signed] Truong Chinh

CSO: 4209/411

PARTY ACTIVITIES AND GOVERNMENT

BRIEFS

HANOI YOUTH CEREMONY--NHAN DAN today frontpages a report saying that members of the Ho Chi Minh Communist Youth Union [HCMCYU] in the public security forces have voluntarily carried out Uncle Ho's six instructions. On the morning of 19 May, in front of the President Ho Chi Minh Mausoleum, more than 1,000 representatives of the HCMCYU and the Ho Chi Minh Vanguard Teenagers Unit of the Interior Ministry who had recorded numerous outstanding achievements in work, combat, labor, and study held a ceremony to report achievements in honor of Uncle Ho. Comrade Pham Hung and many other comrade leaders of the Interior Ministry and of the various general departments, sections, and institutes of the public security sector attended. Representatives of the HCMCYU Central Committee were also present. [Text] [Hanoi Domestic Service in Vietnamese 2205 GMT 19 May 85]

CSO: 4209/411

ECONOMIC PLANNING, TRADE AND FINANCE

BREEDING, HARVESTING SHRIMP FOR EXPORT

Hanoi NHAN DAN in Vietnamese 8 Apr 85 p 1

[Article: "Joint Action, Joint Business in Breeding and Harvesting Shrimp for Export"]

[Text] In a joint-action joint-business venture with many localities and a number of branches, the marine products sector is breeding, harvesting and processing marine products for export. The organizations operating under this agreement (of which there are many types) have established a new balance in capital, materials, science-technology, and management ability. Initial economic results are good. The joint business between the Central Marine Products Export Corporation and the [former] Nam Can district of Minh Hai Province (now called Ngoc Hien District), started in March 1984 with an investment of 12.6 million dong and was able nine months later to consolidate and expand shrimp breeding ponds by 8,064 hectares raising the area of shrimp breeding to 9,218 hectares with an average yield of 372 kilograms of shrimp per hectare, an increase of 42 kilograms over the period preceding the joint business. Thanks to the new system, Nam Can was able to acquire 117 motor boats thus raising the total of boats to 609 with a capacity of 7,400 horse power; replace and repair 50 percent of old bottom nets and raise the shrimp catch by net threefold; build three ice-making factories with a daily output of 30 tons; build cold-storage facilities at the four shrimp procurement and storage stations, two dried shrimp and "op" fish [a kind of sea fish with a big head and round body] processing installations, and import enough gasoline to ensure the continuity of production. Organizations of the same locality have reorganized their trade, limited fishing villages, and have permanently settled the fishermen. In 1985, the joint business produced 22 thousand tons of marine products, an increase of 3.4 percent over the previous period, including 7,000 tons of shrimp (3,000 of which were raised shrimp) and procured more than 8,000 tons, including more than 1720 tons of fresh shrimp. Applying the "borrow as you pay" principle, at the end of 1984, the joint business sector was able to repay to the banks 71 percent of its debts. The joint business between Ho Chi Minh City and Tran Van Thoi district and Minh Hai province raises, fishes, procures and exports marine products in the Ong Doc River area. The city supports the installation of the bases by advancing capital and collecting the products later. A major part of these bases are in use. With an investment of combined capitals, the joint business was able to increase the area of shrimp breeding in 1984 to 2,650 hectares (twice as much as in 1983) and the fishing boats to 168, establish 18 shrimp breeding

cooperatives and collectives, 16 harvesting cooperatives and collectives and seven processing cooperation teams. Half of the fishermen have joined in collective production.

A joint business between the production and trade units and the scientific-technical bases to develop the breeding and fishing of lobsters was established at Chau Thanh district, Dong Thap province. Started in September 1984, this organization adopted the "borrow as you pay" principle to improve the shrimp breeding ponds and farms, organize procurement, storage and processing of shrimp for export. The joint business between the Central Marine Products Export Corporation and the Dong Nai Marine Products Service is conducting an experimental breeding of shrimp in Chau Thanh district. It builds ponds and uses natural breeds and feed, and combines the experiences learned by the farmers with the technical advances to breed shrimp for export. The raising of shrimp according to advanced methods has initially attained high yields.

12238  
CSO: 4209/367

## EDITORIAL SUGGESTS WAYS TO INCREASE PRODUCTIVITY OF IRRIGATION WORK

Hanoi NHAN DAN in Vietnamese 8 Apr 85 pp 1, 4

[Editorial: "Management and Operational Ability in Irrigation Work Discussed"]

[Text] On the agricultural production front, irrigation plays a crucial part in watering 4.3 million hectares of crops in all three seasons and in draining and washing saline and sulfate soil for millions of hectares of ricefields of different types. Not only will water prevent the cruel consequences of natural disasters, it is also the foremost technical measure that lays down an infrastructure for agricultural production to develop.

Water is hard to obtain. Yet only when used properly will water help increase the efficiency of the technical measures used in intensive cultivation and boost the productivity of crops. In any circumstances the ricefields are the determinants of the water needed and being absolutely essential for the growth of crops, the completion, management and operation of irrigation systems and projects, should be actively augmented and modified.

Nationwide, the water conservancy movement to improve agricultural irrigation, in many places and in many instances, is not properly conducted and fails to respond to the needs of production and people's living. Waterlogging and drought remain problems in many areas. The watering and drainage of ricefields are not always completed on time and fail to accomodate the needs of production and intensive cultivation. Many central works have been completed, but the construction of agricultural irrigation and ditch networks have been considerably delayed, inconsistently improved, and qualitatively and technically unacceptable. The administration and operation of the projects, in some places, was not closely watched reflecting in low effectiveness of the project. Many existing installations have not been regularly maintained, repaired or improved, resulting in much equipment and machine damage. The average production and working rate for equipment is only 50 to 60 percent and at many projects, only 20 to 30 percent of the design output is reached. In many places, the distribution of water and power used by electric pumps was fragmented and wasteful. The economic administration and production control of the enterprises, corporations, irrigation stations and clusters are still cumbersome, inactive, largely bureaucratic and ineffectively centralized. Failure to promptly repair the above shortcomings has delayed the improvement, management and operation of agricultural irrigation projects.

To serve the agricultural production effectively and promptly, we must in 1985 join forces to bring about small-scale and agricultural water conservancy projects so as to lay a solid ground for the implementation of intensive cultivation and multicropping according to the "state and people working together" principle. Basic level water conservancy should be tightly linked to the movement to improve irrigation work at each locality in order to better administer and operate the existing projects. Our objective is to definitely and harmoniously concentrate our activities so as to attain highly qualitative and technical results without having to redo the work again and again! The watering and draining initiative should be closely tied to the recurring technical measures of intensive cultivation, such as crop seeds, agricultural seasons, tillage, fertilization, cultivation, etc. so as to create changes to fit the needs of intensive cultivation, multicropping and area expansion in every province, district and production base. The self-flowing ability of the reservoirs, dams, water pumps and tides should be intensively exploited in order to be able to plan, build, operate and improve the irrigation projects properly and economically.

Corporations, enterprises, irrigation stations and clusters must promptly transform management, clearly delineate responsibility and the mission in order to insure a simpler but more effective organization; the coordination must be expanded to cooperatives mutually responsible in bringing water from the central work to the ricefields. It is essential to consolidate the water irrigation teams in cooperatives and production collectives, rationally apply the contracting and compensation procedures, matching the obligation and right of the irrigation workers to the management and control of the water supplied to the ricefields. In villages having many cooperatives and production collectives, specialists in water conservancy are needed to help the authorities supervise the water conservancy work and irrigation system more rigorously and harmoniously.

The operating regulations of the irrigation system at the district level, which has a circumscribed production chain character, must be strictly compatible with the agricultural production process of the ricefields so as to obtain highly economical results. Only when the operating regulations are systematically applied will production be improved and is the measure for best exploiting the irrigation network. By applying the operating regulations properly, the irrigation networks in Lien Son, Vinh Phu Province and Hai Hau, Ha Nam Ninh Province have experienced an output of nearly 100 percent of the working capacity of the entire system, thus better served the agricultural production at the district level.

It is essential to tighten the coordination between the water conservancy, electric power and agricultural sectors in all cooperatives, enterprises, and irrigation stations and clusters at the district level with other service and technical enterprises, such as materials, tractors, crop seeds and vegetation preservation in order to create favorable conditions for the cooperatives and production collectives to improve and extend the product contracting mechanism to the laborers and groups of laborers. The corporations, enterprises and irrigation stations and clusters must promptly get rid of the bureaucratic and cumbersome centralized administrative mechanism and adopt cost accounting socialist business methods.

The irrigation projects have been decentralized and assigned to the districts to help put them in a better condition to manage the agricultural irrigation work themselves in conjunction with the production plans, to direct the people's movements in maintaining and repairing the canal and ditch system, to preserve the irrigation system and the ricefields, to enter into contract with the cooperatives and production collectives with regard to the watering and draining of the ricefields, and to organize irrigation teams to collect water conservancy fees etc. The provinces must provide the district with better supervision and assistance, check and supplement the water operating regulations and plans of the corporations, enterprises and irrigation stations and clusters in order to transform them into true and efficient state-operated service and technical organizations of the districts. Water is most needed in the winter--spring and summer--fall seasons when crop yields are high and stable. The existing irrigation works must, therefore, be exhaustively administered and exploited according to the technical methods of watering and draining, and use water properly and economically. Waterlogging usually occurs in the tenth-month season when watering must then be consistent with the production and flood and typhoons plans. Drainage work must be planned ahead to insure that crops can be harvested in case of flood. Building and improving the irrigation work, consolidating the management and operation of the existing projects at the provinces, districts and bases are not the responsibility of the water conservancy sector alone. This is also the responsibility of the party's committee echelons, authorities and related branches. Only when these authorities closely cooperate and make use of their competent leadership, will the intensive cultivation and multicropping be served and areas of high-yield rice and specialized cultivation of industrial plants be expanded, and the agricultural production prescribed for 1985 will, therefore, be victoriously fulfilled.

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CSO: 4209/367

AGRICULTURE

GRAIN GROWING IN MEKONG DELTA DISCUSSED

BK220841 Hanoi Domestic Service in Vietnamese 2205 GMT 21 May 85

[Report from the review of NHAN DAN for 22 May 1985]

[Text] NHAN DAN today carries on page 3 an article by Comrade (Tran Quang Khai) entitled: "Grain Production in the Mekong River Delta." According to the author, the Mekong River delta--which covers 4 million hectares of land, including 2131 million hectares of rice fields--is noted for its fertile soil and its suitability for agriculture and has been one of the two major granaries of the country since time immemorial.

The Mekong River delta obtained a rice yield of 4.6 million metric tons in 1976. Its 1984 grain yield was put at 7.5 million metric tons, including 6.9 million metric tons of rice, an increase in rice yield of 2.3 million metric tons.

The Mekong River delta has scored great achievements in grain yield over the past 10 years despite numerous difficulties, especially at a time when those essential materials used for support of agriculture such as nitrogenous fertilizer and insecticide have been somewhat reduced.

The article introduces many experiences gained by the Mekong River delta in grain production and arranges them under the following subheads: (1) "Shifting vigorously toward carrying out intensive cultivation and multicropping and toward setting up high-yield rice areas," (2) "The key role of the scientific and technical revolution," and (3) "New production relations and the product contract system are major driving force for agricultural development."

CSO: 4209/411

AGRICULTURE

BRIEFS

SOUTH PROMOTES AFFORESTATION--Hanoi, 27 May (VNA)--All the provinces from Binh Tri Thien southward in the past 10 years have planted 369,000 hectares of forests and 1,760 million trees in scattered places. This was reported at a recent conference to review the tree planting, afforestation and forest preservation in the southern provinces in the past 10 years and to mark the international year of forestry. Thanks to the expansion of tree planting and afforestation, southern provinces have step by step laid green carpets on former no man's lands, restored part of the forests devastated by U.S. toxic chemicals and bombs, increased food crop production, protected the environment, and supplied timber and firewood for the people. More nurseries have been built at provincial, district and village levels to supply tens of millions of saplings for tree-planting in the rainy season, the state has invested dozens of millions of dong in preventing forest fires and the indiscriminate exploitation of forests. In response to the 1985 international year of forestry initiated by FAO, southern provinces will plant 46,600 hectares of forests and 242 million trees in scattered places from now until the end of this year. [Text] [Hanoi VNA in English 1559 GMT 27 May 85]

SPRING RICE SUBJECT TO 'DROUGHT'--Vietnamese peasants in northern provinces are concentrating to save rice from drought and crop pests. At present, about 80,000 hectares out of 250,000 hectares of spring rice--one of the three main crops in northern Vietnam--are subjected to heavy drought. [Text] [Hanoi International Service in English 1000 GMT 26 May 85]

HA NAM NINH GRAIN--To date, peasants in various localities of Ha Nam Ninh Province have voluntarily lent more than 1,000 metric tons of grain to the state to help it satisfy the needs of the province. The provincial grain service has sent cadres to various cooperatives to persuade families of their members to lend surplus grain to the state. [Summary] [Hanoi Domestic Service in Vietnamese 1430 GMT 21 May 85]

HAU GIANG AGRICULTURAL TRANSFORMATION--To date, Hau Giang Province has set up 6,000 production collectives, 27 agricultural cooperatives, 2 salt production cooperatives, 48 joint production collectives, and 2,600 production solidarity teams. These establishments account for 713.7 percent of the cultivated land and 92 percent of the peasant families in the province. [Summary] [Hanoi Domestic Service in Vietnamese 2300 GMT 21 May 85]

POPULATION, CUSTOMS AND CULTURE

ECONOMIC, SOCIAL STUDY OF THE HIGHLAND

Hanoi NHAN DAN in Vietnamese 7 Apr 85 p 3

[Article: "Economic and Social Study of the Highland"]

[Text] The Vietnam Social Science Commission, in coordination with the party provincial committee and people's committee of Bac Hai Province, recently held the Second Science Conference to study the economic and social situation of the northern highland provinces. Delegates attending the meeting comprised 130 professors, research cadres in economics, anthropology and related scientific branches of 10 research institutes and universities, representatives of the branches, the army, central and local organizations, and representatives of people's committee, of many border provinces. The delegates presented to the conference more than 100 scientific reports and statements.

The scientific reports contained reliable basic investigations that confirmed the great potentiality of the highland with its multifarious resources in land, weather, animals, vegetation, minerals and a fairly large labor force and acknowledged the advantages of industrial plants (long and short term) and reported on special plants, livestock, water resource, industrial and commercial raw materials (minerals and agricultural products). It was reported that the area of forest land has been alarmingly reduced, slash-burning is still going on, thus afforestation must be urgently conducted to bring the forest land back to its initial richness.

The extremely favorable conditions mentioned above constitute a solid starting point for planning optimum exploitation of the existing wealth in order to enhance economy, build the new life and the new person, and consolidate the defense and security of the border mountain region.

Considering the on-going settlement of people, the scientific reports suggested a redistribution of the population and labor force according to the available land but especially to underdeveloped occupational sectors and towns given the present natural economy's system and the shortage of technical cadres in the highland. It was suggested that new economic zones, state farms and state forests be developed to use and improve the skills of the local labor force, that the use of laborers sent from the lowlands be carefully undertaken so as to fully exploit the potential of the multifarious resources, attain high economic productivity, and at the same time support defense and security.

Labor and land should be integrally considered in formulating plans. The natural economy should be abolished and commodity trade enhanced. Grain should be viewed as a stepping stone and produced according to these directions: First, land should be intensively used concurrently practicing intensive cultivation and multicropping of rice and subsidiary food crops on agricultural land (especially on the existing 150 rice fields with 150 thousand hectares), inter-planting of food and grain crops on other lands. On the other hand, economic coordination with other zones of the country should be established so as to ensure a balance in grain, materials and fertilizer used in intensive cultivation. It is essential to determine a rational meal structure based on the industrial model to increase nutrition and change the eating habit of the tribesmen.

The potential for increasing exports will be more effectively exploited if there is a rational zoning of large areas of industrial and special crops, and a movement to mobilize each household to devote its effort to export production be promoted, concurrently with the establishing of the processing industries that produce high quality export products, the application of an equitable price schedule, and the sharing of profits to encourage the production of raw materials destined for the production of export goods.

Many reports emphasized the need to develop the industry sector to boost the economic, social and cultural development of the highland. An agricultural-forestry-industrial structure must be envisaged for the whole region as well as each particular sector.

On the building of new social relationships, the reports confirmed that 80 percent of the population of the lowlands and 40 percent of the people of the highlands have joined agricultural or forestry cooperatives, and noted that each form and step of large-scale collective economic projects must be envisaged in strict consideration of the geography, population and cultivation of each zone and tribe. The capability of the family economy is tremendous and must be encouraged and developed.

On the cultural, health and educational issues, many reports and statements emphasized the shortage of teachers, technical and trade cadres, physicians, and business management cadres, and the poorly developed educational and cultural life. Education, cultural life and training of cadres must be the subject of our special attention and provided with adequate means to develop. The establishment of local schools and courses that prepare students of the ethnic minorities for college entrance are to be encouraged.

Many reports and statements brought up plans for organizing border defense lines, in which every district village and hamlet should be viewed as an invincible fortress--an on the spot rear service base--capable of thwarting any form of war staged by our enemy--the Chinese expansionists.

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CSO: 4209/367

SETTLEMENT OF NOMADS LINKED TO COLLECTIVE PRODUCTION

Hanoi NHAN DAN in Vietnamese 8 Apr 85 p 2

[Article by Anh Trang: "Tribesmen in Binh Tri Thien: Settlement of Nomads Linked to Collective Production"]

[Text] Binh Tri Thien is inhabited by more than 66 thousand members of the Van Kieu, Ta Oi, Ca Tu and Chut tribes, who live scattered along 436 km of the hilly and mountainous region of Truong Son. Faithful to their traditionally revolutionary spirit in fighting against the French and Americans, these tribesmen actively support the settlement of nomads in conjunction with the collective production movement. To date, 22 thousand have settled in 50 settlement centers (or 33 percent of the total of tribesmen the plan intended to rally) and involved in collective production in 12 cooperatives and 254 production collectives. Fully conscious of the "people work, the state supports" principle, the ethnic minorities in the province, provided only 16 million dong by the state, have open 13,000 hectares of land for cultivation (of which 1,337 hectares are set ricefields), built 44 water conservancy projects, more than 300 km of roads and nine bridges. The settled-villages all have schools and health stations. Virtually all the villages have been cleared and transformed to wet ricefields. Many villages have attained high yields by adopting intensive cultivation in planting wet rice. For example, Pa Tang (Huong Hoa) attained a yield of more than six tons per hectare for 80 hectares cultivated; A Ngo (A Luoi) almost 5 tons per hectares for 52 hectares cultivated; and Huong Huu (Phu Loc) more than five tons per hectare for 35 hectares cultivated.

Along with the intensive cultivation of wet rice, the settled-villages also built upland fields to plant manioc, potatoes, corn and rice; thus have rapidly increased and stabilized the volume of grain produced for many years and radically stop the preharvest lean period. Last year, the tribesmen in Phu Loc District obtained an average yield per capita of 450 kilograms of grain, in paddy equivalent, A Luoi District, more than 400 kilograms and Hung Hoa District, almost 400 kilograms. The herd of bovines, virtually stolen or killed by Americans, now has almost 23,000 head. The forestry sector began by distributing land and forest sites to the settled tribesmen and thus has reduced the practice of slash-burning. The tribesmen in A Luoi have collectively reforested 214 hectares of land, 30 hectares of which were planted with pinus khasya. In the settled-villages, the tribesmen live in "split households"--one household per

each house--with gardens of vegetable and fruit trees, such as jackfruits, pineapples, pepper, oranges, bananas and papayas, etc. The villages of Ta Rut, Dong Son and Dong Thuy have planted more than 250 hectares of tobacco. In some years, they sold nearly 100 tons of high quality tobacco to the state. The villages along the Khe Sanh corridor have planted 220 hectares of coffee beans. The Pa Khum family, (of Huc village, Hung Hoa District) earned 30,000 dong per hectare for two hectares of coffee beans they harvested last year. The Pa Lan family (Huong Phung village, Huong Hoa) has planted 50 pepper clusters and one hectare of coffee. Last year, the pepper plants alone yielded more than 40 kilograms of dried pepper.

Many families have built their fish ponds. A Luoi district has built a facility for breeding fish by artificial methods. The area of family fish ponds within the district measures more than 50 hectares. In A Ngo village 100 percent of the settled-families have their fish ponds and 30 percent of the settled families in Phu Loc and Hung Hoa have theirs.

The Binh Tri Thien tribal area has four 100-bed hospitals, eight regional medical examination offices with 160 beds, 25 village health stations, 63 basic general schools with 298 classes and 550 students, six tribal schools with more than 500 resident students. Several villages have kindergartens and child-care centers. The village of Huong Huu (Phu Loc) for instance, has two kindergartens with 60 children, 3 child-care centers with 65 children who receive meals, provided free by the cooperatives, twice a day. In general, corrupt practices associated with weddings and funerals and concubinage have been dramatically reduced since liberation.

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END